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October 29, 2025

VIA ELECTRONIC MAIL AND HAND DELIVERY

Stephanie De La Rosa, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. 25-33-GE – The Narragansett Electric Company d/b/a Rhode Island Energy Proposal to Change Rate Accounting and Issue Bill Credits Relating to a Commitment to Hold Customers Harmless from and Acquisition-Related Increase in Rates Responses to PUC Data Requests – Set 4

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), enclosed are the Company’s responses to the Public Utilities Commission’s Fourth Set of Data Requests, issued on October 15, 2025, in the above-referenced docket.

Thank you for your attention to this matter. Please do not hesitate to contact me should you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Adam M. Ramos', is written over a blue horizontal line.

Adam M. Ramos

AMR:sms
Enclosures

cc: Docket No. 25-33-GE Service List

In Re: Proposal to Change Rate Accounting and Issue
Bill Credits Relating to a Commitment to Hold Customers Harmless
From an Acquisition-Related Increase in Rates
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PUC 4-1

Request:

In the Company's Supplemental Responses to the Commission's Second Set of Data Requests, the responses identify lead times to design, build and test new factors to provide credits based on per kWh or per therm usage. Please identify by name and title the individual at PPL who has substantial knowledge and experience designing, building, and testing factors and performing programming and coding changes in the company's billing system and is capable of explaining in reasonable detail at an evidentiary hearing why it would take several months to create a new rate factor that credits customers based on kWh or therms. Please also provide a reasonable description of that person's experience with respect to such billing system matters.

Response:

Mike Sullivan – Senior Director Customer Revenue.

- 15 years of utility experience
 - All of those years of experience include working with technical teams on delivering business capabilities.
 - Includes assembling and managing delivery timelines that include an understanding of billing and CSS system complexities, system design, technical changes and timelines, testing plans and timelines and risks associated with shortcuts.
- Assigned ownership of “Pennsylvania Billing Event” remediation when an IT issue resulted in over 140,000 customer no bills with months of coordination to resolve. This assignment included:
 - Management of billing issues backlog
 - Technical strategy and coordination including remediation plans
 - Back-office billing coordination
 - Supplier coordination
 - White glove customer communication coordination
 - Conducting an event analysis
 - Establishing a Business Continuity Plan
- Several years of billing responsibility and ownership:
 - Promoted to Director – Customer Revenue April 10, 2023, and have had billing system responsibilities for PPL Electric Utilities since then.
 - Promoted to Senior Director – Customer Revenue March 10, 2025, which expanded billing system responsibilities to include the Company.

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PUC 4-2

Request:

According to the Company's most recent tariff number 2095, the Distribution Charge for rate classes A-16 and A-60 is \$0.04580 (see Tariff No. 2095, Sheet 2 of 3, Lines A-16 & A-60). Hypothetically, if the Commission ordered the company to reduce that distribution charge for classes A-16 & A-60 by a specified amount per kWh, how many days would be needed to effectuate the change and issue a bill that incorporated the updated rate?

Response:

The Company would implement the reduced distribution charges consistently with other routine price changes. Routine price changes typically are managed across several days a week prior to the targeted effective date. Once updated pricing is received, those new values and effective dates are loaded into the system. Billing is run in a test environment allowing the Company to review the pricing impacts and validate pricing and proration across the price change. Once validated and signed off for accuracy and completeness, the pricing is loaded into our production billing environment ahead of the effective date. Results are monitored and confirmed over the first couple of billing runs to ensure the results are consistent with expectations. Typically, this entire process happens over a two-week period.

Please note that in this hypothetical scenario where the Distribution Charge would be a net of the current approved base rate distribution charge and the determined hold harmless credit factor, the Company would have to track the actual charges each month by the breakout of the two components. This would have to be done to properly account for the amounts that would be included in the annual revenue decoupling reconciliation as well as tracking the actual amount of hold harmless credits applied to customers. As the above scenario is described, because it would be a net factor, the billing system would not track the components separately and it would have to be a manual process performed by Company personnel where each month the usage by rate class for that period would have to be multiplied by the two components of the factor to break down the applicable charges or credits. The Company expects that this manual process would take about a day per month to perform.

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PUC 4-3

Request:

Please provide a sample electric bill for a typical A-16 customer using 500 kWh per month, showing how the Company would credit residential customers under the Company's current proposal, including any bill messages that the Company intends to include on the bill.

Response:

The Company has not completed final details concerning customer messaging to ensure clarity across the RGGI credits and the Hold Harmless credits, which will overlap. The timing and impact on customer bills will be different depending on the customer's bill cycle and timing for each of the monthly credits.

Below are representative examples:

- A typical A-16 customer bill charges representing approximately 500 kWh
- LRS customer bill credits from 2024-2025 for anticipated impacts to a customer bill, pending the Company's final customer messaging decision.

Sample bill average approximately 500 kWh:

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PUC 4-3, page 2

Billing Summary

Previous Balance	\$133.22
Payment Received Oct 1, 2025 - Thank You!	-\$133.22
Balance as of Oct 9, 2025	\$0.00
Total Supply Charges	\$60.52
Total Delivery Charges	\$84.04
Other Charges	
Gross Earnings Tax	\$6.02
\$144.56 at 0.041667	
Total Other Charges	\$6.02
Amount Due By 11/4/25	\$150.58
Account Balance	\$150.58

Delivery Details

Rate: A-16 Residential-Std Ofr

Customer Charge		6.00
RE Growth Program Chg		3.22
LIHEAP Enhancement Chg		0.79
Distribution Energy Chg	525 kWh at 0.06113	32.10
Renewable Energy Dist Chg	525 kWh at 0.02113	11.09
Energy Efficiency Programs	525 kWh at 0.01098	5.77
Transition Charge	525 kWh at 0.00001	0.01
Transmission Charge	525 kWh at 0.04773	25.06
Total Delivery Charges		\$84.04

Understanding Your Bill

Customer Charge - The cost of providing customer related services such as metering, meter reading and billing. These fixed costs are unaffected by the actual amount of electricity you use.

Distribution Energy Charge - The cost of delivering electricity from the beginning of the Company's distribution system to your home or business.

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PUC 4-3, page 3

LRS Credit example – Previous Balance:

- Credit is reflected in a reduction in balance as of at the start of the billing period

Billing Summary	
Previous Balance	\$189.69
Payment Received Dec 6, 2024 - Thank You!	-\$48.58
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Balance as of Dec 10, 2024	\$72.75
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Total Supply Charges	\$17.86
Total Delivery Charges	\$26.51
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Other Charges	
Gross Earnings Tax	\$1.85
\$44.37 at 0.041667	
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Total Other Charges	\$1.85
<hr/>	
Amount Due By 1/3/25	\$118.97
<hr/>	
Account Balance	\$118.97
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Delivery Details	
Rate: A-16 Residential-Std Ofr	
Customer Charge	6.00
RE Growth Program Chg	4.02
LIHEAP Enhancement Chg	0.79
Distribution Energy Chg	7.03
109 kWh at 0.06459	
Renewable Energy Dist Chg	2.67
109 kWh at 0.02444	
Energy Efficiency Programs	1.46
109 kWh at 0.01334	
Transmission Charge	4.54
109 kWh at 0.04161	
<hr/>	
Total Delivery Charges	\$26.51

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PUC 4-3, page 4

Attention

LRS Refund – A credit totaling \$68.36 has been made to your account. This stems from the 2023 LRS reconciliation which shows a refund is due to customers. This month's credit was applied to any previous balance owed and any remaining credit is shown within the "Other Charges/Adjustments " section on Page 2 of your bill.

General Information

Save time and money! Sign up for paperless billing and receive a \$ 0.37 credit on your monthly bill. Enroll today at RIEnergy.com/PaperlessBill.

Will we be able to reach you during a power outage? During a power outage, phones with a direct link to a local phone line are able to operate. Phones that are not directly linked (for example, cordless phones with answering machines) need electricity to make and receive calls. If you would like to register another phone number, such as a cell phone, as your account's primary phone number, please go to RIEnergy.com/myaccount to update your information so that we may be able to reach you with important information during power outages.

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PUC 4-3, page 5

LRS Credit example - No Previous Balance:

- Credit is reflected as an Excess Credit to the current billing period

Billing Summary	
Previous Balance	\$34.65
Payment Received Dec 16, 2024 - Thank You!	-\$34.65
Balance as of Feb 10, 2025	\$0.00
Total Supply Charges	\$8.52
Total Delivery Charges	\$13.23
Other Charges/Adjustments	
Gross Earnings Tax	\$0.91
\$21.75 at 0.041667	
Excess Credit	-\$68.36
Total Other Charges/Adjustments	-\$67.45
Amount Due	NONE
Account Balance	-\$45.70

Delivery Details	
Rate: A-16 Residential-Std Ofr	
Customer Charge	3.20
RE Growth Program Chg	2.14
LIHEAP Enhancement Chg	0.42
Distribution Energy Chg	52 kWh at 0.06450 3.34
Renewable Energy Dist Chg	52 kWh at 0.02444 1.27
Energy Efficiency Programs	52 kWh at 0.01334 0.70
Transmission Charge	52 kWh at 0.04161 2.16
Total Delivery Charges	\$13.23

Attention
LRS Refund – A credit totaling \$68.36 has been made to your account. This stems from the 2023 LRS reconciliation which shows a refund is due to customers. This month's credit was applied to any previous balance owed and any remaining credit is shown within the "Other Charges/Adjustments " section on Page 2 of your bill.

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PUC 4-4

Request:

This question is requesting a schedule from the Company that illustrates a hypothetical alternative that delivers monthly bill credits to electric distribution residential customers, using a different funding mechanism to deliver those credits (as in interim measure in order to provide more time for the Commission to review the Company's proposal that changes the Hold Harmless accounting, evaluate its impacts, and provide time for the Company to modify its billing system). In responding to this inquiry, please assume the following:

- a. The Commission orders the Company to implement monthly fixed credits on the electric bills of residential customers for the months of January through March 2026 that delivers credits valued at \$23.54 per month per residential account, issued on electric bills in the same manner as currently proposed by the Company.
- b. The Commission authorizes the Company to create a regulatory asset equal to the total credits issued, plus interest accrued on the outstanding aggregate balance equal to the Company's weighted average cost of capital (WACC).
- c. The Commission directs the Company to track the aggregate balance to a separate account, as occurs with other costs relating to rates that have reconciliation provisions.
- d. The average number of residential customers for the months of January to March 2026 is 453,729 (calculated from customer counts provided in response to PUC 2-2, page 1 of 1).
- e. The total amount of the residential credits issued January to March 2026 is \$32,042,342 (i.e., the average residential customer count for the months of January to March of 453,729 times monthly electric residential credit per customer of \$23.54 times 3 months from D-21-09 – Rhode Island Energy Calculations of Net Present Value – Attachment 1, page 1 of 9).
- f. The Commission directs the Company to amortize the balance of the resulting regulatory asset over 10 years.
- g. In the Company's annual Retail Rate Filing in the first quarter of 2026, the Commission authorizes the Company to commence recovery of the estimated balance of the credits, subject to full reconciliation annually, effective April 1, 2026.
- h. The Commission defers any final decision relating to changing the manner through which the Company meets its Hold Harmless obligation (i.e., through lump sum payment(s), including the manner of crediting customers on bills) for review and consideration in the company's upcoming base distribution rate case or separately within the current docket.

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PUC 4-4, page 2

Assuming a regulatory asset of \$32,042,342 and the 10-year amortization referenced above that commences as of April 1, 2026, please provide an amortization table containing the following for each of the 10 years:

- a. Beginning Balance;
- b. Annual WACC cost;
- c. Annual Revenue Requirement, broken down between principal and interest at the WACC;
- d. Cumulative Revenue Requirement, broken down between principal and interest at the WACC;
- e. Ending Balance.

Response:

The hypothetical alternative presented in the data request is inconsistent with the terms of the Hold Harmless Implementation Agreement (“Agreement”)¹ and represents a scenario which would not be acceptable to the Company.

The Division issued an order finding that performance of the Agreement, as currently drafted and executed, constitutes full and final satisfaction of the Hold Harmless Commitment, provided that “implementation and distribution of the proposed bill credits in the . . . Agreement . . . comply with all relevant rules, regulations, and provisions of law.”² The Agreement provides that, if the Division imposed a “condition[] unacceptable to any Party hereto, then this Agreement shall be deemed withdrawn and shall be null and void in all respects[.]”³ The Agreement also provides that any amendment or modification of the Agreement requires a written instrument signed by the Parties. The hypothetical proposed by this data request would reflect a modification to the

¹ The Hold Harmless Implementation Agreement is the agreement by and among PPL Corporation, PPL Rhode Island Holdings, LLC (together with PPL Corporation referred to as “PPL”), the Company and the Advocacy Section of the Division Public Utilities and Carriers (the “Advocacy Section”), dated June 13, 2025, pursuant to which the Company would satisfy PPL’s Hold Harmless Commitment by providing miscellaneous bill credits to its customers in the month of January, February, and March of 2026 and 2027. PPL’s Hold Harmless Commitment is PPL’s obligation to “hold harmless Rhode Island customers from any changes to Accumulated Deferred Income Taxes (“ADIT”) as a result of the [Acquisition],” which was established by the Division of Public Utilities and Carriers (the “Division”) in its Report and Order No. 24322 dated and effective on February 23, 2022, in Docket No. D-21-09 (the “Approval Order”) approving the transfer of ownership of 100 percent of the outstanding shares of common stock from National Grid USA to PPL Rhode Island Holdings, LLC (the “Acquisition”).

² Decision and Order- Hold Harmless Petition (Order No. 24539 signed and effective September 10, 2025) at 15.

³ Agreement at §6(e)(iii).

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Agreement resulting from the Division's condition that the "implementation and distribution of the proposed bill credits in the . . . Agreement . . . comply with all relevant rules, regulations, and provisions of law." Because that potential modification is unacceptable to the Company, and also because it is not agreed to in writing by the parties to the Agreement, it would render the Division's condition unacceptable to the Company and, by its own terms, the Agreement would be withdrawn and deemed null and void.

The Agreement is the product of extensive negotiations among PPL, the Company, and the Advocacy Section. It reflects hard-earned agreement on the narrowly tailored parameters by which the Company could satisfy PPL's Hold Harmless Commitment through miscellaneous bill credits to customers during the high energy burden months of January, February, and March in 2026 and 2027. The Agreement also reflects the Parties' shared aim to deliver meaningful, immediate relief to customers, as opposed to much smaller, incremental revenue requirement adjustments spread over several decades, which likely would be imperceptible to customers.

The Hold Harmless Commitment does not exist by virtue of regulation or law, but rather it is strictly a Division-imposed obligation. The Division did not mandate a specific mechanism for compliance in its Approval Order. The Division has expressly approved the process set forth in the Agreement as an appropriate mechanism for satisfying that obligation and that the Company's performance under the Agreement will fully discharge the Hold Harmless Commitment obligation established by the Approval Order.

Although the Public Utilities Commission ("Commission") has jurisdiction to determine whether the Company's rates are just and reasonable, PPL's satisfaction of its Hold Harmless Commitment obligation falls exclusively within the Division's jurisdiction. The Division retains exclusive authority to assess satisfaction of PPL's Hold Harmless Commitment. In this instance, the Commission's role is limited to evaluating whether rates are just and reasonable in light of the Division's determination. Accordingly, adoption of the hypothetical alternative would not only improperly alter the Agreement, but it also would infringe upon the Division's exclusive authority to approve compliance with the condition it established.

If the Commission seeks to impose any changes to the process set forth in the Agreement for satisfaction of the Hold Harmless Commitment as determined by the Division, including the total amount of the miscellaneous bill credits, the timing of the miscellaneous bill credits, and the allocation of miscellaneous bill credits to customers, then the Company will revert to satisfying PPL's Hold Harmless Commitment through incremental revenue requirement adjustments to offset the increase to rate base from the elimination of ADIT over the life of the assets, consistent with its prior practice.

The Narragansett Electric Company
d/b/a Rhode Island Energy
Docket No. 25-33-GE

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The Company has the utmost respect for the Commission and its role here. The Company followed what it believed to be the proper regulatory process for securing a robust negotiated resolution of this matter. We acknowledge that reasonable minds could differ on a variety of components related to such a negotiated resolution. But, having been through a process that took more than a year, the Company simply cannot accept a non-negotiated resolution of an alternative mechanism for administering the Hold Harmless Commitment.

For all of the reasons set forth above, the Company respectfully declines to produce the requested schedule.

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Adam M. Ramos

October 29, 2025
Date

**Docket No. 25-33-GE – PUC In Re: Proposal to Change Rate Accounting and Issue Bill Credits Relating to a Commitment to Hold Customers Harmless from an Acquisition-Related Increase in Rates
Service List Updated 9/24/2025**

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