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March 23, 2026

**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. 25-08-GE – The Narragansett Electric Company d/b/a Rhode Island Energy PUC’s Inquiry Into Rhode Island Energy’s Billing Systems Practices and Performance Billing Conversion and Stabilization Incremental Cost Tracking Report – January 31, 2026**

Dear Ms. De La Rosa:

On behalf of Rhode Island Energy,<sup>1</sup> and pursuant to the Public Utilities Commission’s (“Commission”) Open Meeting held on May 14, 2025, and Order No. 25352 issued on May 16, 2025, I have enclosed one original and nine copies of the Company’s Billing Conversion and Stabilization Incremental Cost Tracking Report for January 2026 in the above-referenced matter.

The purpose of this filing is to confirm that the Company has been and will continue to account for and track the incremental costs it has incurred and may incur going forward relating to stabilizing billing and related operations commencing August 19, 2024. Within this filing, the Company provides an update on the method it is using to identify and track such incremental costs. The attached Schedule NECO-1 provides an accounting of such costs for the period of August 19, 2024, through January 2026.

The Company will continue to track these incremental costs monthly and will file periodic updates with the Commission on the 30<sup>th</sup> day of each month that show the incremental costs for the prior month and the aggregate costs calculated from August 19, 2024.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson".

Jennifer Brooks Hutchinson

Enclosure

cc: Docket No. 25-08-GE Service List

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<sup>1</sup> The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”).

**Rhode Island Energy's Updated Report  
On the Incremental Costs Related to Billing Conversion and Stabilization  
For the Period August 19, 2024 Through January 31, 2026**

**I. Introduction**

On June 27, 2025, the Company filed the first Report on the Incremental Costs Related to Billing Conversion and Stabilization for the period August 19, 2024 through May 31, 2025 (referred to herein as the "June Report") with the Rhode Island Public Utilities Commission pursuant to its May 14, 2025 Open Meeting. In the June Report the Company confirmed that it has been and will continue to account for and track the incremental costs it has incurred and may incur going forward relating to stabilizing billing and related operations commencing August 19, 2024. In that filing, the Company included an explanation of the process and methods it was using to identify and track such incremental costs, together with a schedule of accounting of such costs from August 19, 2024, through May 31, 2025. The Company has been filing monthly updates to this schedule with both incremental and aggregate costs.

In this report, the Company provides an update on the methodology that it is using to track such incremental costs.

**II. Methodology to Track Incremental Costs**

The Company will continue to track and report on all incremental operations and maintenance expenses associated with the billing system conversion and stabilization. There is no change to the Company's definition of "incremental costs" from that which is explained in the June Report. Customer, Billing System and Legal expenses included in columns B, C and E of Schedule NECO-1, effective January 1, 2026, are charged directly to the Rhode Island electric and gas business units. For financial reporting, it is no longer appropriate to move these costs to Rhode Island Holdings as they have become normal operating costs of Rhode Island Energy. Stabilization expenditures, included in column D of NECO-1, related to the Acquisition,<sup>1</sup> will be capitalized at the Rhode Island Holdings level. The Company anticipates Stabilization expenditures will continue into the second half of 2026.

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<sup>1</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 (referred to hereinafter as the "Company") from National Grid USA ("National Grid") (the "Acquisition").

Considering the continued tracking of incremental costs to address, remediate, and resolve operational challenges caused by customer information and billing system conversion problems, and the fact that 2026 was not part of the test year in the Company's pending base distribution rate case filing, there will be no rate impact to customers. Furthermore, the Company will adjust for the incremental costs charged to the electric and gas business units as part of the 2026 electric and gas Earnings Report filings.

### **III. Incremental Costs Incurred**

Consistent with prior monthly reports, Schedule NECO-1 provides an accounting of the incremental costs incurred for billing system conversion and stabilization for the period of August 19, 2024 through January 31, 2026. There is no change in the categories of expenses reflected in Schedule NECO-1 from prior monthly reports.

In Re: Commission’s Inquiry into Billing Systems Practices and Performance  
Billing Conversion and Stabilization Incremental Cost Tracking Report  
Schedule NECO-1  
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Schedule NECO-1  
Total Expenses of Billing Stabilization  
August 19, 2024, through January 31, 2026

	(A)	(B)	(C)	(D)	(E)	(F)
(1)	Month	Customer Operations Expense	Develop and Deploy Billing System	Fast Follow and Stabilization	Outside Legal Counsel Costs	Total Expenses
(2)	August	\$ 1,207,154	\$ 1,775,614	\$ 379,398	\$ -	\$ 3,362,166
(3)	September	\$ 3,233,982	\$ 4,422,829	\$ 2,117,341	\$ -	\$ 9,774,152
(4)	October	\$ 920,208	\$ 3,114,653	\$ 715,314	\$ -	\$ 4,750,175
(5)	November	\$ 1,104,232	\$ 2,642,041	\$ 337,913	\$ -	\$ 4,084,185
(6)	December	\$ 1,395,282	\$ 2,100,430	\$ 912,163	\$ -	\$ 4,407,874
(7)	January 2025	\$ 1,631,582	\$ (752,725)	\$ 3,110,172	\$ -	\$ 3,989,030
(8)	February	\$ 977,404	\$ 371,910	\$ 2,372,834	\$ -	\$ 3,722,148
(9)	March	\$ 979,090	\$ 323,196	\$ 2,387,931	\$ -	\$ 3,690,217
(10)	April	\$ 1,054,198	\$ 28,894	\$ 2,085,611	\$ -	\$ 3,168,703
(11)	May	\$ 1,000,042	\$ (18,135)	\$ 3,182,014	\$ 683	\$ 4,164,604
(12)	June	\$ 1,381,997	\$ (9,376)	\$ 2,313,235	\$ 13,578	\$ 3,699,435
(13)	July	\$ 988,195	\$ 2,493	\$ 2,289,994	\$ 3,962	\$ 3,284,644
(14)	August	\$ 1,168,965	\$ (3,324)	\$ 2,974,417	\$ -	\$ 4,140,058
(15)	September	\$ 1,262,396	\$ 1,662	\$ 2,419,525	\$ 10,693	\$ 3,694,276
(16)	October	\$ 1,019,863	\$ 2,493	\$ 2,052,442	\$ 455	\$ 3,075,254
(17)	November	\$ 759,468	\$ (4,155)	\$ 957,555	\$ 234	\$ 1,713,103
(18)	December	\$ 1,198,860	\$ -	\$ 1,617,310	\$ 91	\$ 2,816,260
(19)	January 2026	\$ 881,607	\$ 4,470	\$ 532,791	\$ -	\$ 1,418,868
(20)	<b>Total</b>	<b>\$ 22,164,526</b>	<b>\$ 14,002,970</b>	<b>\$ 32,757,959</b>	<b>\$ 29,696</b>	<b>\$ 68,955,151</b>

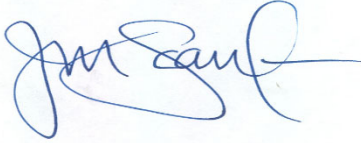
Notes: Data for August 19, 2024, through January 31, 2026 (Column A). Columns B, C, and D show expenses for Customer Operations, Develop and Deploy Billing System, and Fast Follow and Stabilization, respectively. As noted in Company’s filed response to data request of PUC 6-9, the Company has now added Column E to include Outside Legal Counsel Costs\* since cutover and has reflected in this table above back to the appropriate months. Entries B2, C2, and D2 are prorated based on number of days; total expenses for the month of August were multiplied by 13/31. Total expenses by month are shown in Column F, which sums data in Columns B, C, D and E by row. Total expenses from August 19, 2024, through January 31, 2026, are shown in Row 20.

\*The outside legal counsel costs in the table above reflect the amounts booked to the general ledger through January 31, 2026, whereas the numbers included in the data request of PUC 6-9 were based on invoices billed to date (including partial August 2025).

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.



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Joanne M. Scanlon

March 23, 2026  
Date

**Docket No. 25-08-GE – PUC’s Inquiry Into Rhode Island Energy’s Billing Systems Practices and Performance**  
**Service list updated on 3/23/2026**

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