

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT ELECTRIC COMPANY            :**  
**d/b/a RHODE ISLAND ENERGY APPLICATION FOR        :**  
**APPROVAL OF A CHANGE IN ELECTRIC AND GAS         :**  
**BASE DISTRIBUTION RATES                                 :**     **DOCKET NO. 25-45-GE**

**DIRECT TESTIMONY OF**  
**JOHN BELL**  
**ON BEHALF OF THE**  
**DIVISION OF PUBLIC UTILITIES AND CARRIERS**

April 16, 2026

### **Summary**

John Bell is the Chief Account with the Rhode Island Division of Public Utilities and Carriers and is testifying on the agency's behalf. Mr. Bell's testimony presents the agency's position regarding the Multi-Year Rate Filing, bad debt expense percentage, and outside legal expenses.

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND THE NAME AND BUSINESS ADDRESS OF**  
3 **YOUR EMPLOYER.**

4 A. My name is John Bell; I am employed by the Rhode Island Division of Public Utilities and  
5 Carriers (“Division”). Our address is 89 Jefferson Blvd., Warwick, R.I. 02888.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS MATTER?**

7 A. I am testifying on behalf of the Division.

8 **Q. PLEASE PROVIDE A SUMMARY OF YOUR EDUCATIONAL BACKGROUND.**

9 A. I graduated from the University of Rhode Island with a Bachelor of Science degree in  
10 Business Administration. I have also completed several continuing professional  
11 educational courses in the areas of utility accounting and ratemaking.

12 **Q. PLEASE PROVIDE A SUMMARY OF YOUR RELEVANT WORK**  
13 **EXPERIENCE.**

14 A. I began my career in the utility industry with the Federal Energy Regulatory Commission  
15 (“FERC”), where I was employed for approximately 10 years as a utility auditor within the  
16 Office of Chief Accountant. I began my career with the Division in 1995. I’ve held various  
17 positions within the Division’s Accounting Department, and I currently serve as the Chief  
18 Accountant. I’ve held my current position since 2018.

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RHODE ISLAND PUBLIC**  
20 **UTILITIES COMMISSION?**

21 A. Yes. I have been testifying before the Commission for many years on a multitude of  
22 dockets.

23 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

1 A. I am providing testimony on the Division’s substantive position of Rhode Island Energy’s  
2 (“RIE”) multi-year rate filing, RIE’s request for an increase in its Uncollectibles  
3 Allowance, and outside legal counsel expenses.

4  
5 **II. MULTI-YEAR RATE FILING**

6 **Q. DOES THE DIVISION SUPPORT APPROVAL OF A MULTI-YEAR RATE**  
7 **FILING?**

8 A. No.

9 **Q. DIDN’T THE LAST RATE CASE IN DOCKET 4770 DIRECT THE COMPANY TO**  
10 **FILE A MULTI-YEAR RATE PLAN?**

11 A. Paragraph 21 of the Settlement Agreement in Docket 4770 provided: “The Company’s next  
12 general rate case shall be a combined electric and gas rate case unless the Company, and  
13 the Division mutually agree that they should be filed separately. When the Company’s next  
14 rate case is filed, the Company shall file complete revenue requirements for the rate year  
15 and no fewer than two additional consecutive twelve-month rate-year periods, to facilitate  
16 the PUC’s and Division’s review and potential approval of a multi-year rate plan. The  
17 Company shall submit its next rate case filing to the PUC so that new base distribution  
18 rates take effect no later than September 1, 2022. Nothing in this Settlement Agreement  
19 shall preclude the Company from filing its next general rate case at any time earlier during  
20 the term of this Rate Plan or any extension thereof. If the Division provides its consent to  
21 an extension of the term of this Rate Plan, the Division may specify another date upon  
22 which new base distribution rates are to become effective beyond September 1, 2022 in its  
23 place, but is not required to do so. To the extent new base distribution rates resulting from

1 the filing of the Company's next general rate case are not in effect by September 1, 2022,  
2 the Settlement Agreement shall remain in effect during the interim and if required, the  
3 Performance Incentive Mechanism provision shall be extended to cover the additional  
4 interim period."

5 **Q. DO YOU VIEW THIS AGREEMENT AS A REQUIREMENT IN ANY WAY FOR**  
6 **THE COMMISSION TO ACT UPON AND APPROVE A MULTI-YEAR RATE**  
7 **PLAN?**

8 A. No. The plain language of the Agreement, as accepted by the Commission, provided only  
9 for the potential of an approval for a multi-year rate plan. Additionally, this Settlement did  
10 not contemplate a sale of the Company or a delay of many years to the next rate case.

11 **Q. WHAT IS THE DIVISION'S OPPOSITION TO THE MULTI-YEAR PLAN FILED**  
12 **IN THIS PROCEEDING?**

13 A. Well first, to be candid, the Division does not find statutory support for such a plan such  
14 as provided to water utilities. But apart from that, and most importantly, the Division has  
15 been concerned with the accuracy of the Company's filings since its inception here in  
16 Rhode Island. We are concerned with the number of errors/corrections that we see in the  
17 Company's filings, including this docket. For instance, in its response to DIV. 3-3 which  
18 requested a breakdown of electric and gas customers by municipality, the Company  
19 initially reported that it had 454,372 electric customers and 255,345 gas customers.  
20 Subsequently, this answer was corrected to indicate that the Company had 521,162 electric  
21 customers and 280,937 gas customers. There was no explanation provided for this  
22 discrepancy. The substantial difference in these answers makes it clear that this was not a  
23 situation of numbers simply being transposed, which we could understand. At first blush,

1 one might be attempted to criticize the Division’s concern as to accuracy based upon this  
2 one example. In response, we would say that the approximate number of Company  
3 customers is a critical, fundamental element of the Company’s business, one which  
4 everyone in the Company should be readily aware. We recognize that the number of  
5 customers does not remain static, even month-to-month. Nevertheless, the Division  
6 believes that the failure to recognize the potential error in its electric customer account of  
7 66,790 accounts is merely illustrative of a serious underlying problem with the Company’s  
8 filings. Equally disturbing is the Company’s error of 25,592 gas customer accounts. This  
9 specific error on customer count is not a “one off.” The Division has compiled a cursory  
10 list of filing errors that have occurred since the “cutover” in August 2024. This list was  
11 created by simply reviewing the Commission’s docket pages for “corrected” filings and  
12 does not include any changes to testimony or corrections made on the record at hearings.  
13 As the Commission is aware, the most recent, eye-popping error came to light in the retail  
14 rate filing where there was a large under-recovery in the industrial class due to 283  
15 industrial customers being incorrectly coded. This resulted in an overpayment of  
16 approximately \$15 million by the Company to LRS suppliers. The Company indicated that  
17 it will be able to recoup \$5 million of this LRS supply overpayment but may have difficulty  
18 recouping the remaining \$10 million because the ISO NE deadlines for settlement of these  
19 payments has passed. While the Company pledged that ratepayers will not be harmed due  
20 to indemnification by the Company, the point is that this is a huge error and that the  
21 Company’s errors do not appear to be isolated. Attached is a Division Schedule JB-1 which  
22 summarizes the corrections filed in dockets since August 2024.

23

1 **III. BAD DEBT EXPENSE**

2 **Q. YOU MENTIONED THAT YOU ARE ALSO TESTIMFYING ON RIE'S**  
3 **REQUESTED UNCOLLECTIBLES' ALLOWANCE. PLEASE PROVIDE A**  
4 **BREIEF SUMMARY OF RIE'S REQUEST.**

5 A. Mr. Urban explained the approach RIE used to calculate the bad debt expense for its  
6 revenue requirements. Mr. Urban stated on page 24 of his testimony:

7 "The Company has calculated the bad debt expense for inclusion in the  
8 revenue requirement based on a combination of actual and projections for  
9 CY 2025. The calculation includes eight months of actual bad debt net write  
10 offs and four months of projected bad debt net write offs. The Company  
11 also subtracted write-offs for accounts that would have written off in CY  
12 2024 but for the collections limitation from August of 2024 through  
13 December of 2024. Accordingly the Company is forecasting a bad debt  
14 expense percentage of 2.21 percent for Narragansett Electric and 2.29  
15 percent for Narragansett Gas."

16 **Q. HOW DOES RIE'S REQUEST COMPARE TO CURRENTLY EFFECTIVE BAD**  
17 **DEBT EXPENSE PERCENTAGE APPROVED IN DOCKET 4770?**

18 A. Currently, the bad expense allowance for Narragansett Electric is 1.30%, and for  
19 Narragansett Gas its 1.91%. The Company's request represents a 70% increase in the  
20 allowance for Narragansett Electric, and a 20% increase for Narragansett Gas.

21 **Q. WHAT IS THE DIVISION'S POSITION ON THE BAD DEBT PERCENTAGE?**

22 A. The Division recommends RIE's request to increase the allowed percentages be rejected  
23 and that the current bad debt expense percentages remain in place.

24 **Q. PLEASE EXPLAIN THE BASIS FOR YOUR POSITION.**

25 A. I base my position on the use of a multi-year average, and I also take into consideration  
26 recent billing and collection issues RIE has experienced.

27 **Q. What are the results of your review of a multi-year Average?**

1 A. I reviewed the net write-off rate for the three-year period 2023 – 2025. Schedule JB-2  
2 provides the results of my review. This schedule shows that the three-year average is  
3 1.61% for Narragansett Electric and 1.90% for Narragansett Gas. The rate for Narragansett  
4 Gas is almost exactly the same as the current rate of 1.91%, and therefore I am not  
5 recommending any adjustments. For Narragansett Electric the multi-year average is 31  
6 basis points higher than the current rate, however I am not recommending increasing the  
7 rate due to RIE’s billing and collection problems that it has experienced since the billing  
8 cut over in August 2024. These problems were highlighted in Docket 25-08-GE. These  
9 issues had the potential to increase the Company’s accounts receivable and associated  
10 uncollectibles, and would it be appropriate to consider the increased level of uncollectibles  
11 a transition cost, which are not recoverable by ratepayers. For these reasons, the Division  
12 believes it is reasonable to keep the bad debt expense percentages at the current level of  
13 1.30% for Narragansett Electric and 1.91% for Narragansett Gas. The Division’s  
14 adjustment is reflected in Mr. Mugrace’s testimony and schedules.

15

16 **IV. OUTSIDE LEGAL COUNSEL EXPENSES**

17 **Q. PLEASE DESCRIBE THE DOCUMENTS AND INFORMATION THAT YOU**  
18 **REVIEWED IN PREPARATION OF YOUR TESTIMONY CONCERNING**  
19 **OUTSIDE LEGAL COUNSEL EXPENSES.**

20 A. I reviewed RI Energy’s responses to PUC 1-63, DIV 23-2 (confidential), and DIV 23-4  
21 (confidential). These documents evidence the amounts charged to RI Energy, and  
22 consequently ratepayers, for outside counsel service and support. I also relied on my  
23 experience and familiarity with proceedings before the PUC.

1 **Q. CAN YOU BRIEFLY SUMMARIZE YOUR CONCLUSIONS AND**  
2 **RECOMMENDATIONS?**

3 A. I believe that RI Energy has been spending excessive amounts on outside counsel services  
4 and support to the detriment of ratepayers. RI Energy has become overly reliant on outside  
5 counsel to participate in proceedings before the Commission, even though it also utilizes  
6 in-house counsel on those same dockets. By way of example, I would like to direct the  
7 Commission's attention to the following dockets and expense information on Attachment  
8 DIV 23-2 (confidential):

9	- 22-33-EE	2023 Energy Efficiency Plan
10	- 22-48-NG	Old Mill Lane
11	- 22-49-EL	Advanced Metering Functionality
12	- 23-23-NG	DAC Annual Filing 2023
13	- 24-07-EL	Retail Rate 2024
14	- 24-29-NG	DAC and GCR 2024
15	- 24-39-EE	2025 Annual Energy Efficiency

16 These dockets are generally routine and should be the type of matters handled by RI  
17 Energy's regulatory legal team at a significantly lesser expense.

18 I recommend that the Commission deny RI Energy any cost recovery for outside counsel  
19 services and support for what are routine regulatory matters.

20 **V. Conclusion**

21 **Q. Does this conclude your testimony?**

22 A. Yes.



SUMMARY OF RIE DOCKET ERRORS

DOCKET NO. 25-45-GE  
 DIVISION OF PUBLIC UTILITIES AND CARRIERS  
 WITNESS: BELL  
 SCHEDULE JB-1  
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Docket Number	Docket Name	Type Correction (Filing, testimony, DRs, schedules, etc)	Link to the Corrected Document
22-08-GE	Arrearage Forgiveness for Low-Income and Protected Customers	Correction to response to PUC 1-10	<a href="#">RIE's Supplemental response to PUC DR 1-10</a> . Minor adjustment to numbers.
22-33-EE	FY23 EE Plan	2 corrected filings	<a href="#">Corrections to Gas Performance Incentive Earnings Opportunity and Benefits for Home Energy reports</a> and <a href="#">RI Energy's Corrections and Updated Budget Proposal</a> .
22-39-REG	FY23 REG Program	1 correction, 1 supp. Resp., and 1 clarification	<a href="#">RI Energy's Corrected Response to PUC's Data Request 1-2</a> ; <a href="#">RI Energy's Supplemental Responses to PUC Data Requests 1-17</a> ; and <a href="#">RI Energy's &amp; OER clarification response to Record Request 2</a> .
22-49-EL	AMF Business Case	11 supp. resps. to DIV and PUC DRs	See PUC online <a href="#">Docket 22-49-EL</a> .
22-53-EL	FY2024 Electric ISR and Recon.	Multiple supps. and corrections	Recon: <a href="#">Corrected Responses to Division's Data Requests Set 1</a> ; 6 suppl. resps. To DIV 7-1 (see PUC online Docket). ISR: <a href="#">Supplemental Response to DIV 1-36</a> ; <a href="#">Supplemental response to PUC 3-1</a> ; and <a href="#">Corrected Response to PUC Data Request 6-5</a> .
23-27-EL	Pension Adj Mechanism Provision	Correction to Pre-Filed Testimony	<a href="#">2327-RIE-CorrectedPages-PAF_8-25-23.pdf</a>
23-35-EE	'24-'26 EE 3-Year Plan and Annual EE Plan for 2024	2 corrections to PUC and DIV DRs and 1 correction to PUC RR	<a href="#">Corrected Response and Attachment PUC 1-37</a> ; <a href="#">Corrected Responses to Commission and Division Data Requests</a> ; and <a href="#">Corrected Response to Record Request No. 7</a> .

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23-48-EL	FY 2025 Electric ISR	2 corrections	Correction to Revenue Requirement <a href="#">23-48-EL-Electric ISR FY2025 Reconciliation (Corrected) - PUC 9-11-2025-w-Bates.pdf</a> ; <a href="#">Corrected Response to PUC DR 2-3</a>
24-17-EL	2024 Res. Assistance Recovery Filing	1 correction	Correction to RIE initial filing <a href="#">Corrected Page 11</a> .
24-31-EL	LRS Rates for Fall/Winter 2024	Supp. responses to PUC DRs 4-1	<a href="#">Supplemental Responses to PUC's Data Requests Set 4-1</a>
24-39-EL	2025 Annual EE Plan	Correction to PUC DR 3-5	<a href="#">RI Energy's Corrected Responses to Data Request 3-5</a>
25-04-EL	2025 Annual Retail Rate Filing	1 correction to filing schedules and 2 corrections to DR resps.	<a href="#">2025 Annual Retail Rate Corrected Schedules</a> ; <a href="#">RI Energy's Corrected Responses to PUC's Data Requests Set 1</a> ; and <a href="#">RI Energy's Supplemental Responses to PUC's Data Requests -Set 1</a> ; <a href="#">RI Energy's Supplemental Responses to Division 1-9 and Schedule NECO - 15 (Corrected)</a> .
25-10-EL	2025 Pension Adjustment Factor Filing	Correction of filed testimony and schedules.	<a href="#">Electric Pension Adjustment Factor Filing Corrected Testimony and Schedules</a>
25-37-EL	2026 EE Plan	Corrected Annual Efficcy Plan and Responses to DRs	<a href="#">RI Energy's Corrections and updates to 2026 Annual Energy Efficiency Plan</a> ; <a href="#">RI Energy's Corrected Responses to PUC Data Requests 2-2</a> ; <a href="#">RI Energy's Corrected Responses to PUC's Data Requests 3-5</a> ; and <a href="#">RI Energy's corrected Responses to PUC Data Requests 4-4</a> .
25-41-EL	Advisory Opinion to EFSB Regarding Nasonville	Corrected resps to DIV DRs	Corrected DR DIV 1-1 (some costs were “inadvertently” omitted from totals <a href="#">RI Energy's Corrected Responses to Division's Data Request 1-1</a> . Corrected DR DIV 1-59 incorrect percentage applies (90.5% instead of 95.5%) <a href="#">RI Energy's Corrected Response to Division's Data Request 1-59</a> .

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25-45-GE	Rate Case	Corrected DR resps PUC 1-69	PUC 1-69 (Company had performed analysis based on different time period than requested. <a href="#">RI Energy's Corrected PUC First set of Data Requests Responses Directed to The Narragansett Electric Company d/b/a Rhode Island Energy</a> )
25-53-REG	2026-2027 REG Program Factor Filing	Corrected Schedules and Corrected resps to DRs	Corrected Schedules <a href="#">RI Energy's Corrected Schedules</a> - Schedules NECO-1 (Corrected), NECO-2 (Corrected) and NECO-4 (Corrected) are provided in order to reflect the impact of a correction to NECO-2, Page 3, Line 45. While preparing the Company's response to data request PUC 2-2 and Attachment PUC 2-2, the Company realized that on NECO-2, Page 3, Line 45, the estimated twelve-month output in kilowatt-hours was identical to Line 44, even though both lines have different aggregate capacities in kilowatts and the same unit availability factor. The Company identified that the Line 45 kilowatt-hour value was incorrectly linked and updated that value to 7,630,209 kilowatt-hours. <a href="#">RI Energy's Corrected Responses to PUC's Combined Data Requests</a> PUC 1-1 – corrected to update with more current rates. (Same as in Dockets 25-53-REG (REG Factor 26-27), 25-54-EL (Electric ISR), 26-03-EL(LRS), and 26-05-EL (Retail Rate))
25-54-EL	FY 27 Electric ISR	Suppl. and corrected resp. to PUC DRs	<a href="#">RI Energy's Supplemental Responses to PUC 1-5</a> ; <a href="#">RI Energy's Corrected Responses to PUC's Combined Data Requests</a> PUC 1-1 – Corrected to update with more current rates. (Same as in Dockets 25-53-REG (REG Factor 26-27), 25-54-EL (Electric ISR), 26-03-EL(LRS), and 26-05-EL (Retail Rate))
26-03-EL	LRS April rate	Corrected resps to PUC DRs	<a href="#">RI Energy's Corrected Responses to PUC's Combined Data Requests</a> PUC 1-1 – Corrected to update with more current rates. (Same as in Dockets 25-53-REG (REG Factor 26-27), 25-54-EL (Electric ISR), 26-03-EL (LRS), and 26-05-EL (Retail Rate)) <a href="#">Attachment PUC Bill Illustration 4-1-26 9 Corrected - (Excel)</a> PUC 2-1 – an adjustment to an Excel, labeled “PUC Bill Illustration 4 1 26” to account for corrected NECO Schedules
26-05-EL	2026 Retail Rate	Corrected Schedules and DRs	Corrections to NECO-1, NECO-6, NECO-19 – Corrected excel spreadsheets on Docket page (Corrections are due to corrections in response to DIV 2-3)) <a href="#">NECO-1 and NECO-19 Corrected - (Excel)</a> ; <a href="#">NECO-6 Corrected - (Excel)</a> Corrections (twice) to NECO-15 – corrections to ISO bill credits payments

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			<ul style="list-style-type: none"><li>- <a href="#">RI Energy's Corrections to Schedule NECO-15</a></li><li>- <a href="#">RI Energy's Corrected/Supplemental Schedule NECO-15</a></li></ul> <p>Corrections of NECO-1 to NECO-8 and NECO-19 in response to DIV 2-3. <a href="#">RI Energy's Corrected Schedules and Motion for Protection of Confidential Information</a>.</p> <p>PUC 1-1 – corrected to update with more current rates. (Same as in Dockets 25-53-REG (REG Factor 26-27), 25-54-EL (Electric ISR), 26-03-EL (LRS), and 26-05-EL (Retail Rate)).</p> <p>Corrections were also made orally at the hearing to RIE’s resp. to DIV 2-3.</p>
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**Gas Dockets**

<b>Docket Number</b>	<b>Docket Name</b>	<b>Type Correction (Filing, testimony, DRs, schedules, etc)</b>	<b>Link to the corrected document</b>
25-55-NG	2027 Gas ISR	Filing—A table was omitted from Section 2 of the main filing.	Link <a href="#">here</a> .
25-37-EE	Annual Energy Efficiency Filing	DRs—A Division gas/fuel DR required a corrected RIE response.	Link <a href="#">here</a> .
25-22-NG	Gas Cost Recovery Charge	DRs—A pair of DR responses needed to be corrected.	Link <a href="#">here</a> .
24-55-NG	FY 2026 Gas (ISR)	PUC Data Requests 2-4	<a href="#">2-4 Link</a>
		PUC Data Requests 3-1	<a href="#">3-1 Link</a>
24-29-NG	Gas Cost Recovery Charge	Filing—A pair of filing documents needed corrections, including ISR schedules and a compliance document.	Item 1 link <a href="#">here</a> . Item 2 link <a href="#">here</a> .

RHODE ISLAND ENERGY  
DOCKET NO, 25-45-GE  
BAD DEBT EXPENSE  
(\$000)

<b>ELECTRIC</b>	(A)	(B)	(C)		
	Actual		Normalized		Net
	Net	Normalizing	Net	Total	Write-Off
	<u>Write-Offs</u>	<u>Adjustment</u>	<u>Write-Offs</u>	<u>Revenues</u>	<u>Rate</u>
2025	38,984	(13,065)	25,919	1,469,074	1.76%
2024	11,855	13,065	24,920	1,358,751	1.83%
2023	14,944	-	14,944	1,223,868	<u>1.22%</u>
Three Year Average					<u>1.61%</u>

<b>GAS</b>	(D)	(E)	(F)		
	Actual		Normalized		Net
	Net	Normalizing	Net	Total	Write-Off
	<u>Write-Offs</u>	<u>Adjustment</u>	<u>Write-Offs</u>	<u>Revenues</u>	<u>Rate</u>
2025	18,115	(6,412)	11,703	599,344	1.95%
2024	4,925	6,412	11,337	530,973	2.14%
2023	7,991		7,991	495,510	<u>1.61%</u>
Three Year Average					<u>1.90%</u>

Sources:

- Responses to:
- (A) DIV 6-14, DIV 19-2
  - (B) DIV 19-2
  - (C) DIV 6-14, DIV 16-15
  - (D) DIV 6-16, DIV 19-3
  - (E) DIV 19-3
  - (F) DIV 6-16, DIV 16-17