

**STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

IN RE: THE NARRAGANSETT
ELECTRIC COMPANY d/b/a RHODE
ISLAND ENERGY – APPLICATION AND
STATEMENT REGARDING
APPROVAL TO AMEND A REVOLVING
CREDIT FACILITY

Docket No. D-25-22

**THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY'S
BRIEF CONCERNING THE DIVISION'S STATUTORY AUTHORITY TO APPROVE
THE COMPANY'S REQUEST FOR AUTHORIZATION TO ENTER INTO SEPARATE
SUBSTANTIALLY SIMILAR REVOLVING CREDIT FACILITIES WITHOUT
SEEKING FURTHER DIVISION APPROVAL**

The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”) respectfully submits this brief in connection with its Application and Statement filed in this docket (the “Application”). Specifically, this brief explains that the Rhode Island Division of Public Utilities and Carriers (“Division”) has the authority to permit the Company to enter into separate revolving credit facilities that are substantially similar and for the same purpose as the previously approved Amended Revolving Credit Facility.¹ Approving the Company’s request is within the Division’s authority under R.I. Gen. Laws §§ 39-3-15 and 39-3-17 because the Division’s approval of the Amended Revolving Credit Facility is an approval of the terms and conditions under which the Company can issue evidence of indebtedness as set forth in the Amended Revolving Credit Facility. Entering into a replacement revolving credit facility on substantially similar terms and for the same purpose does not trigger a new requirement for authorization to issue evidence of indebtedness under the statute because the substantive terms of the authority provided would remain the same.

¹ This brief assumes approval of the Company’s other requests for relief in the Application regarding the Amended Revolving Credit Facility.

The Company, therefore, respectfully requests that the Division grant its requested relief as set forth in the Application that it be permitted to enter into replacement revolving credit facilities that are substantially similar and for the same purpose as the previously approved Amended Revolving Credit Facility without seeking new Division approval.

I. FACTUAL BACKGROUND

On September 9, 2022, the Company applied to the Division for authorization to be added as a Designated Borrower (as that term is defined in the Revolving Credit Facility, defined herein) under the existing \$1.25 billion Amended and Restated Revolving Credit Agreement by and amongst PPL Capital Funding, Inc., PPL Corporation as Guarantor and the Lenders as defined therein, dated December 6, 2021 (the “Revolving Credit Facility”). *See* the Application at 1. On February 8, 2023, the Division issued Report and Order No. 24573 in Docket No. D-22-13, granting that authorization (the “Authorizing Order”), and the Company became a Designated Borrower to the Revolving Credit Facility pursuant to a Designation Agreement dated March 31, 2023. *Id.* The parties to the Revolving Credit Facility subsequently executed two separate amendments to extend the Termination Date (as that term is defined in the Revolving Credit Facility), first to December 6, 2027, and then to December 6, 2028, as expressly contemplated by the Authorizing Order. *Id.* at 2.

Thereafter, on January 2, 2025, the parties to the Revolving Credit Facility executed Amendment 3 to the Revolving Credit Facility (as so amended, the “Amended Revolving Credit Facility”), which extended the Termination Date (as that term is defined in the Amended Revolving Credit Facility) of the commitments under the Amended Revolving Credit Facility to

December 6, 2029,² and increased the total amount of credit capacity under the facility from \$1.25 billion to \$1.50 billion; provided, however, that (i) the \$600 million maximum sublimit applicable to the Company was not changed, and (ii) the Termination Date for the Company (defined therein as the “NEC Termination Date”) remained December 6, 2028, consistent with the Authorizing Order, unless and until the Company obtains regulatory approval to extend the NEC Termination Date. *Id.* The provisions for extending the NEC Termination Date to December 6, 2029, when and if regulatory approval is obtained, are set forth in Section 4.03 of the Amended Revolving Credit Facility. *Id.*

On October 1, 2025, the Company filed the instant Application and Statement seeking, among other things, authorization to amend or amend and restate the Amended Revolving Credit Facility, from time to time, if necessary to effectuate the extensions and credit line increases requested therein, or alternatively to enter into replacement revolving credit facility(ies), either for the Company or the Company and certain of its affiliates, as the Amended Revolving Credit Facility provides, on substantially similar terms as the Amended Revolving Credit Facility, which would be for the same purposes as the Amended Revolving Credit Facility. *Id.* at 3. The Company is seeking this authority because being able to enter into multi-year revolving credit facility(ies) under which the Company could incur short-term debt from time to time would reduce the time and cost of negotiating and renewing these debt arrangements, and the time and resources of the Division to review and approve each amendment, restatement or replacement facility, so long as the tenor, borrowing limitation and other material terms and conditions remain substantially similar. *Id.*

² At the hearing on the Application, the Company advised that the termination date had been extended to December 6, 2030, and that the Company is seeking approval to extend to that date, plus additional extensions. *See* Hr’g Tr. (Docket No. D-25-22, Mar. 24, 2026) at 10:20-11:20, 32:1-24, 42:10-13.

On March 24, 2026, this matter came before the Division for hearing, during which the Hearing Officer ordered supplemental briefing on the question of whether the Division has the authority pursuant to R.I. Gen. Laws § 39-3-15 to approve the Company’s request to enter into separate or individual revolving credit facilities that are substantially similar and for the same purpose as the previously approved Amended Revolving Credit Facility. *See* Hr’g Tr. (Docket No. D-25-22, Mar. 24, 2026) at 93:10-19. As discussed below, the Company submits that R.I. Gen. Laws § 39-3-15 authorizes the Division to grant the Company’s request.

II. APPLICABLE STATUTES

Pursuant to R.I. Gen. Laws § 39-3-15, “[a] public utility . . . may not, without application to and authority from the division, issue stocks, bonds, notes, or other evidences of indebtedness, payable more than twelve (12) months from the date of issue[.]” To obtain such consent and authority, R.I. Gen. Laws § 39-3-17 requires public utilities to file with the Division a signed and verified statement setting forth, among other things, the “amount and character of the stocks, bonds, or other evidence of indebtedness; the purposes for which they are to be issued; [and] the terms upon which they are to be issued[.]” Critically, “[t]he order of the division shall fix the amount, character, and terms of any issue, and the purposes to which the issue or any proceeds thereof shall be applied” and “[n]o public utility shall, without the consent of the division, apply any issue or its proceeds to any purposes not specified in the order.” *See* R.I. Gen. Laws § 39-3-18.

III. ARGUMENT

1. The Division Has Authority to Grant the Company's Request That it be Authorized to Enter Into Replacement Revolving Credit Facilities Without Division Approval Because the Division is Already Approving the Material Terms and Purposes in its Review of the Amended Revolving Credit Facility.

As an initial matter, the Division initially approved the underlying Revolving Credit Facility in 2023 pursuant to R.I. Gen. Laws § 39-3-15.³ As noted above, the Revolving Credit Facility was amended in 2025 to extend the Termination Date (as that term is defined therein) of the commitments under the Amended Revolving Credit Facility to December 6, 2029, and increased the amount available under that facility from \$1.25 billion to \$1.50 billion, subject to certain conditions. The Company's Application in this docket seeks approval for the changes to substantive terms in Amended Revolving Credit Facility. Accordingly, a Division order in this docket approving the Company to issue evidence of indebtedness under the Amended Revolving Credit Facility establishes the "amount, character, and terms of any issue, and the purposes to which the issue or any proceeds thereof shall be applied" (*see* R.I. Gen. Laws § 39-3-18) to access the liquidity to fund the Company's working capital and anticipated capital expenditures that would come from debt issuances pursuant to the credit facilities.

The Company is not requesting authority to enter into *any new* revolving credit facilities with different substantive terms without seeking Division approval; this request pertains only to replacement revolving credit facilities that are on substantially the same terms as and for the same purposes of the Amended Revolving Credit Facility, which the Division would be approving in this docket – *i.e.* a credit facility that has the exact same amount, character, terms of issue, and purposes. As the Company's witness Julissa Burgos explained during the March 24,

³ In its Application and Statement for approval to enter into the Revolving Credit Facility, the Company acknowledged that the Revolving Credit Facility likely fell outside the intended scope of § 39-3-15 because any borrowings thereunder would be classified as short-term debt. Nevertheless, the Company submitted to the jurisdiction of the Division pursuant to § 39-3-15.

2026 hearing, the Company is not seeking authority to enter into revolving credit facilities with terms and conditions that differ from the terms and conditions previously approved by the Division. *See Hr'g Tr.* 19:24-20:3, 21:21-22:5, 39:16-19 (Ms. Burgos confirming that if the Company sought to enter into a revolving credit facility on different terms and/or for a different purpose that the Company would seek the Division's approval).⁴

The rationale behind this request, as explained both in the Application and by Ms. Burgos, is to reduce the time and cost of negotiating and renewing short-term debt arrangements, and the time and resources of the Division to review and approve each amendment, restatement or replacement facility, so long as the tenor, borrowing limitation and other material terms and conditions remain substantially similar.⁵ *See id.* at 44:20-45:23.

In sum, the Division is reviewing and approving the terms and conditions of the Amended Revolving Credit Facility pursuant to § 39-3-15 in this docket, and any replacement revolving credit facility into which the Company would enter without seeking further approval would contain those already-approved terms and be for the same purposes. The Division will still possess the opportunity to review and evaluate the prospective replacement revolving credit facility to determine whether it agreed with the Company's determination that the terms and purposes are unchanged, and, if it disagreed, advise the Company and direct further proceedings for Division approval. Lastly, granting the Company's request will not relieve it from seeking

⁴ Ms. Burgos also identified examples of terms that would be considered substantial terms such that if they were to be changed, the Company would seek the Division's approval prior to entering into that revolving credit facility. *See Hr'g Tr.* at 56:23-57:1-9, 83:15-18, 83:24-84:9 (Ms. Burgos noting that changes in sublimit, market standards for borrowings, fees, or interest rate spreads would be considered substantial changes necessitating the Company to seek the Division's approval).

⁵ Notably, the Company will still file paperwork with the Division within 45 days in connection with any new replacement revolving credit facilities that are substantially similar and for the same purpose as the Amended Revolving Credit Facility entered into by the Company so that the Division may take whatever action it desires with respect thereto. *See id.* at 65:17-23, 76:3-13, 88:13-20 (confirming that Ms. Burgos indicated that the Division would have the opportunity to review and evaluate whether or not it agreed with the Company's determination that the revolving credit agreement was substantially similar and therefore did not require the Division's approval).

and obtaining the Division's approval to enter into replacement revolving credit facilities that alter the substantive terms or the purposes, such as the sublimit applicable to the Company or the pricing structure of any debt issued pursuant to the facility.

2. Section 39-3-15 Authorizes the Division to Include the Company's Requested Authority in the Division's Current Approval Because Any Future Replacement Revolving Credit Facilities Would Be On Substantially Similar Terms and For the Same Purpose as the Amended Revolving Credit Facility Presently Before the Division.

Section 39-3-15 expressly concerns instances when a public utility seeks to "issue stocks, bonds, notes, or other evidences of indebtedness, payable more than twelve (12) months from the date of issue[.]"

The Company is now seeking authority from the Division to enter into future replacement revolving credit facilities on substantially similar terms as those in the Amended Revolving Credit Facility presently before the Division for approval, the purposes of which are also consistent with the Authorizing Order. Section 39-3-15 authorizes the Division to grant this request because, unlike other prospective approvals, the Division would not be pre-approving any new or different terms and conditions. Any future prospective revolving credit agreements would be on substantially similar terms as those in the Amended Revolving Credit Facility; thus, the Division can include the Company's requested authority in its current approval of the Amended Revolving Credit Facility.

This requested authority would not mean the Company will be permitted to issue any unapproved "stocks, bonds, notes, or other evidences of indebtedness, payable more than twelve (12) months from the date of issue[.]" Instead, the Company would have the potential to issue other evidences of indebtedness insofar as it has been permitted to do so by virtue of the Division's approval of the terms and conditions of the Amended Revolving Credit Facility and for the same purposes. Accordingly, by granting the Company's request, the Division would be

authorizing the Company to issue evidence of indebtedness consistent with its statutory authority.

IV. CONCLUSION

For the foregoing reasons, the Company respectfully submits that the Division has the authority to approve the Company's request that it be permitted to enter into separate or individual revolving credit facilities, provided that such revolving credit facilities are substantially similar to the terms of and serves the same purposes as the Amended Revolving Credit Facility, and that approving the Company's request is consistent with and authorized by the statutory directives set forth in R.I. Gen. Laws §§ 39-3-15 and 39-3-17.

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC
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Dated: April 22, 2026

CERTIFICATE OF SERVICE

I hereby certify that on April 22, 2026, I sent a copy of the foregoing to the service list by electronic mail.

/s/ Adam M. Ramos