

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
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

MOTION FOR LATE INTERVENTION OF NORTHEAST ENERGY CENTER LLC

Northeast Energy Center LLC (“NEC” or the “Company”) hereby moves for late intervention pursuant to Rule 1.14 of the Rhode Island Public Utilities Commission Rules of Practice and Procedure. In support of this motion, NEC states the following:

1. On November 26, 2025, The Narragansett Electric Co. d/b/a Rhode Island Energy (“RIE”) filed a petition for approval of an increase to its electric and natural gas rates.
2. The Commission is reviewing this matter in Docket No. 25-45-GE.
3. NEC developed and operates a highly efficient, state-of-the-art natural gas liquefaction, storage and LNG truck-loading facility with the most advanced environmental control technologies in Charlton, Massachusetts (the “NEC Facility”) which provides LNG service to several gas distribution companies and municipal utilities, including service to RIE.
4. The NEC Facility is located at 304 Southbridge Road, Charlton MA and is the only independently-owned (i.e., not affiliated with any of its utility customers) LNG-producing plant in New England.
5. The NEC Facility’s liquefaction system is designed to produce approximately 250,000 gallons per day of LNG (about 7.5 Bcf annually) from lower cost pipeline gas delivered by the Tennessee Gas Pipeline system. The

Facility includes a storage tank with a capacity of 2.0 million gallons of LNG and four LNG loading-bays utilized for filling trucks for delivery to “on-system” utility LNG facilities. The Facility utilizes the world’s first gas/electric hybrid drive, which design provides efficiency and environmental benefits for the region. The Facility includes a highly efficient four (4) megawatt co-generator and is, able to operate as both the largest distributed generator and one of the most powerful demand-side management resources in the region.

6. In 2015, NEC executed a Precedent Agreement with RIE, which was then owned by National Grid, whereby NEC provides gas liquefaction, storage and truck-loading services for a fifteen-year term pursuant to a precedent agreement (“NEC Agreement”). NEC executed a similar agreement with RIE’s then affiliate Boston Gas Company d/b/a National Grid (“BoGas”),

The NEC Agreement was part of a procurement strategy pursued by National Grid to reduce dependence upon foreign LNG, with its higher cost and greater price volatility. National Grid executed two LNG service agreements to implement this strategic change, including an agreement with its affiliate, National Grid LNG (“NGLNG Agreement”).

5. Despite difficult circumstances resulting from the pandemic, NEC did not request any change to the negotiated price or rate for its services.

6. The NGLNG project involved an addition to an existing LNG facility in Providence, RI. Thus, the required scope of construction and development work was substantially less than what was required to complete the NEC Facility. Another material difference was that the NGLNG contract was apparently priced upon a “recourse” basis, rather than a firm negotiated price. Boston Gas Company and Colonial Gas Company, each d/b/a National Grid, D.P.U. 15-129 (2016), p. 10. NEC understands that the National Grid affiliate required cost outlays substantially in excess of the original budget to complete the Providence expansion project. Further, as a consequence related to the FERC proceedings, NEC understands that the cost of comparable LNG services is substantially

higher at the NGLNG facility as compared to the NEC Facility, while the delivered product is identical.

7. NGLNG has intervened in this proceeding because it asserted that the Commission's decision in this matter will indirectly affect NGLNG's FERC charges for rates and services (See NGLNG Motion to Intervene, p. 3).

8. NEC has a substantial and specific interest in certain limited aspects of this proceeding due to its role as the primary third-party, market-based supplier of LNG to RIE particularly as any Commission findings associated with RIE's "Revenue Requirement" or "Procurement Strategy" could directly and materially impact the economic viability of the NEC Agreement or the ability of NEC to provide current and/or expanded services for the benefit of RIE's customers (and other customers in Massachusetts that will be comparing NEC and NGLNG prices). NEC has recently filed a similar petition to participate in a BoGas proceeding before the Massachusetts Department of Public Utilities to review a request for a base rate increase. NEC believes that its Facility may secure material additional benefits for RIE customers either individually or by acting in coordination with RIE so long as rates set in this proceeding do not overly distort the LNG marketplace.

9. NEC's interest in this proceeding only became obvious after the passing of the initial deadline for intervention and developments in other jurisdictions. NEC was aware that this proceeding would affect rates and charges for service, but has subsequently identified concerns in a number of topics relating to National Grid's LNG procurement strategy and practices and NEC is uniquely positioned, based upon its firsthand LNG market knowledge, experience and expertise, including in development, construction and operation of the LNG facilities, to assist the Commission in completing its review of these topics. Specifically, NEC has an interest in, at the least, the following topics:

The "Affiliate" Aspect: As RIE is seeking to recover costs for a legacy LNG arrangement that was structured when RIE was a 100% subsidiary of National Grid, same as its supplier NGLNG. As a result, cost or charges

are essentially being set based upon information from affiliates which apparently had little or no incentive to manage costs. That is the NGLNG project in Providence, RI contracted with its own utility affiliate, which presents an inherent conflict of interest and the Department's decision in this proceeding could materially disadvantage independent suppliers like NEC and skew the LNG marketplace. That is, the Department's decision could harm the ability of NEC to provide cost-effective, incremental LNG services.

NGLNG Cost Overruns: Specific data regarding the Providence LNG facility's cost overruns and the associated impact upon RIE's LNG procurement plans and potential costs increases to customers became more clear/publicly available *after* the intervention deadline passed. That is one of the reasons why NGLNG seeks to intervene in this proceeding.

Least-Cost Alternative: NEC participation may well be necessary to provide evidence of actual "market-based pricing" and could act as a market "check" with respect to LNG services. Without NEC input or data, the Department might need to rely only upon National Grid's "internal/affiliate" cost information, which may result in ratepayers overpaying for needed LNG services. Indeed, NEC may be able to increase the delivery of its substantially more economic LNG services for the benefit of Rhode Island customers. The ongoing situation in the Middle East only increases the importance of greater domestic energy independence, supply reliability and securing least-cost resources.

Reliability: As a local, regional resource NEC Charlton is critical to the "Peak Shaving" reliability of the Rhode Island energy system, and decisions made in this rate case regarding capital recovery for LNG assets could jeopardize that reliability if independent local suppliers are effectively "squeezed out" of the market and, therefore, do not design or provide needed incremental services or are limited to providing LNG services for export.

10. NEC has become aware that the Commission's investigation in this proceeding will address or make findings that could "lock in" practices related to RIE's procurement of LNG services and thereby harm the overall New England market for liquefied natural gas services and, therefore, services from NEC's facility.

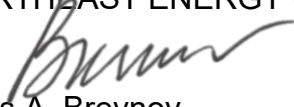
As a local facility capable of meeting these mandates apparently at a lower cost than RIE's former affiliate's assets or foreign supply, NEC participation is likely essential to advancing the public interest by helping to ensure that the Commission's final order does not lock in inappropriate market signals and less economic practices that could frustrate a range of important policy goals.

11. The Commission's regulations provide that any person may intervene in a Commission proceeding maintains a direct interest of such nature "that intervention is necessary or appropriate" and where such interest "is not adequately represented by existing parties." In addition, NEC's participation is in the "public interest" as this proceeding will have a material impact upon the ongoing market for LNG, which resource affects the cost and reliability of service for Rhode Island natural gas customers.

12. NEC is likely to be materially and specifically affected by the Commission's findings in this proceeding; however, NEC expects its participation to be limited and directed solely at issues affecting its facility and the provision of LNG services.

13. NEC's interests are unique and cannot be adequately represented by any other party. Given its late filing, NEC understands that it must accept the established procedural schedule and ground rules. To the extent that it would facilitate the Commission's development of a full and informative record, NEC would be pleased to respond to information requests or otherwise provide helpful evidence in this proceeding. NEC accepts the record as it currently stands and commits to adhering to the existing procedural schedule. NEC's intervention will not result in undue delay but will instead provide the Commission with critical "market-check" data necessary to evaluate the prudence of RIE's requested rate increase.

WHEREFORE, NEC respectfully requests that the Commission grant this motion for intervenor status and take such other action as may be necessary and appropriate.

Respectfully submitted,
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