

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC and Related Approvals

Docket No. D-21-09

POST HEARING MEMORANDUM OF ACADIA CENTER

By its attorney, Acadia Center hereby files its Post-Hearing Memorandum in the above-captioned proceeding. Acadia Center is a non-profit research and advocacy organization headquartered in Rockport, Maine, that has been working in the public interest for over 20 years with a long history working on energy and environment issues on behalf of Rhode Islanders.

On May 4, 2021, PPL Corporation (“PPL”), PPL Rhode Island Holdings, LLC (“PPL Rhode Island”), National Grid USA (“National Grid USA”) and the Narragansett Electric Company (“Narragansett”) (collectively “Petitioners”) filed with the Division a joint petition seeking Division approval for the transfer of ownership of Narragansett to PPL Rhode Island pursuant to Rhode Island General Laws (RIGL) §§ 39-3-24 and 39-3-25. In response, the Division opened this Docket No. D-21-09. Public Hearings in this matter took place from December 13 through December 16, 2021.

In Order 24109 issued on August 19, 2021 in this matter, the Hearing Officer placed strict limitations Acadia Center’s intervention to seeking *“assurances from PPL, that if PPL’s petition is approved, that there will be no deterioration in any of the existing programs or commitments related to the promotion of clean,*

*renewable, and efficient energy production and heating.*¹ The Hearing Officer cited PPL’s argument in further stating the “scope does not include attempting to reshape the State’s renewable energy policies or seeking commitments to advocate for changes or new policies—matters that lie within the Commission’s jurisdiction or are addressed through the legislative process.” Finally, the Hearing Officer emphasized that such assurances must be limited to currently existing programs and commitments from National Grid/Narragansett” and that “such participation in this docket shall not be used to seek any expansion of such programs and/or commitments not otherwise specifically required by law or order of the Commission.” Acadia Center appreciates the Hearing Officer’s granting of its Motion to Intervene and has efforted to structure its engagement in the proceedings within the bounds of those limitations.

The Standard of Review

According to RIGL § 39-3-25, the Applicants in this transaction must establish that the proposed transaction will not diminish the facilities for furnishing services to the public and that the transaction is consistent with the public interest. In Order 24109, the Hearing Officer further propounded that:

“The Division must stress that its legislative charge in R.I. Gen Laws. §§39-3-24 and 39-3-25 cases is to confirm that the ‘facilities for furnishing service to the public will not thereby be diminished’ and that the sale is ‘consistent with the public interest. With respect to the first prong, the Division has previously held that the requirement means the Division must find ‘that there will be no degradation of utility services after the transaction is consummated.’ The Division makes this determination by considering the buyer’s experience and financial strength.”²

¹ Division Docket D-21-09. Order 24109, Page 73. August 19, 2021.

² Division Docket D-21-09. Order 24109, Page 73. August 19, 2021.

The Hearing Officer also noted that, regarding the second prong of whether the sale is in the public interest:

“the Division has specifically rejected arguments that this element required the proposed transaction to ‘result in a net benefit’ to ratepayers and/or members of the general public in order to be properly approved by the Division. In its place, the Division found that the public interest prong “requires a finding that the proposed transaction will not unfavorably impact the general public (including ratepayers).”³

Acadia Center also asserts that the Division’s evaluation of this transaction, filed in May 2021, must also necessarily follow the Act on Climate when determining whether the “facilities for furnishing service to the public will not thereby be diminished” and that the sale is “consistent with the public interest.” The Act on Climate, signed into law in April 2021 and prior to the filing of this transaction petition, amended RIGL § 42-6.2-8 to state:

“Addressing the impacts on climate change shall be deemed to be within the powers, duties, and obligations of all state departments, agencies, commissions, councils and instrumentalities, including quasi-public agencies, and each shall exercise among its purposes in the exercise of its existing authority, the purposes set forth in this chapter pertaining to climate change mitigation, adaptation, and resilience in so far as climate change affects its missions, duties, responsibilities, projects, or programs.”⁴

³ Division Docket D-21-09. Order 24109, Page 75. August 19, 2021.

⁴ RIGL § 42-6.2-8

Consistent with the Order allowing its intervention, Acadia Center does not raise arguments concerning PPL's financial strength. However, Acadia Center does raise legitimate concerns regarding PPL's experience and ability to match National Grid's performance with respect to Narragansett's currently existing programs and commitments. PPL and National Grid differ significantly in terms of each corporation's facilities, or abilities, to furnish services to the public, particularly energy efficiency programs, hazardous gas leak remediation, and corporate heating decarbonization efforts. There is a significant gap in terms of each corporation's experience in and commitments to addressing climate change, a concern of public interest as evidenced by the enactment of greenhouse gas reduction mandates in Rhode Island. Acadia Center respectfully requests the Division consider these imbalances in its decision and attach specific remedial conditions to any transaction approval.

PPL Lacks Experience in Jurisdictions with Mandatory Emissions Reductions Laws

The Act on Climate statute, enshrined in RIGL § 42-6.2, mandates significant greenhouse gas emissions reductions across the economy, including a 45% reduction below 1990 levels by 2030, 80% reduction below 1990 levels by 2040, and net-zero emissions by 2050. The Act on Climate emphasized greenhouse gas reduction as a priority by bestowing new duties and powers to all state bodies in § 42-6.2-8:

“Addressing the impacts on climate change shall be deemed to be within the powers, duties, and obligations of all state departments, agencies, commissions, councils, and instrumentalities, including quasi-public agencies and each shall exercise among its purposes in the exercise of its existing authority, the purposes set forth in this chapter pertaining to climate change mitigation, adaptation, and resilience in so far as climate change affects its mission, duties, responsibilities, projects or programs.”

PPL's Director of Regulatory Affairs, Bethany Johnson, testified that she agreed reducing greenhouse gas emissions is in the public interest.⁵ PPL's Executive Vice President and Chief Operating Officer, Gregory Dudkin, similarly agreed reducing greenhouse gas emissions is in the public interest.⁶

PPL's witnesses acknowledge the differential in PPL and National Grid experience operating under states with legally binding enforceable greenhouse gas emissions reduction requirements. Mr. Bonenberger, recognized this difference while noting Pennsylvania may join the Regional Greenhouse Gas Initiative (RGGI), which is a compact that seeks to reduce emissions only in the electric generation sector and is not an economy-wide effort to reduce greenhouse gas emissions, like Rhode Island and Massachusetts law requires.⁷ In comparison, each of National Grid's three jurisdictions have been members of RGGI for over a decade, according to RGGI, Inc., giving yet another experiential advantage to National Grid.⁸

Further, the hearings exposed executives' lack of familiarity with PPL's own corporate climate strategy, *Energy Forward*, published by the company just two weeks prior to the hearings. Ms. Johnson testified that she was "vaguely"⁹ familiar and, that while she was aware that PPL has one, she did not participate personally in the preparation of it.¹⁰ Mr. David Bonenberger, who would become the president of PPL's Rhode Island business, testified that he had "glanced through it" but was not part of preparing the climate assessment.¹¹

The overwhelming weight of the evidence in the record demonstrates that the National Grid corporation has far more experience operating in jurisdictions that have similar legal requirements to Rhode

⁵ Johnson Testimony. 15 December 2021. Transcript Page 30, Lines 17-20.

⁶ Dudkin Testimony. 15 December 2021. Transcript Page 82, Lines 13-15.

⁷ Bonenberger Testimony. 14 December 2021. Transcript Page 38, Line 22 through Page 40, Line 6.

⁸ <https://www.rggi.org>

⁹ Johnson Testimony. 15 December 2021. Transcript Page 28, Lines 15-21.

¹⁰ Johnson Testimony. 15 December 2021. Transcript Page 28, Lines 15-24 through Page 29, Lines 1-6.

¹¹ Bonenberger Testimony. 14 December 2021. Transcript Page 41, Lines 11-15.

Island, such as Massachusetts and New York. As such, National Grid is more experienced with developing plans and regulatory filings that seek to achieve greenhouse gas reductions and is thus better prepared to contribute to that public policy imperative in Rhode Island. Transitioning from a corporation with vast experience in the climate-focused regulatory jurisdictions to a corporation, like PPL, that is unaccustomed to meeting these regulatory standards presents tremendous risks to ratepayers and to the public interest.

PPL has had nearly a year to share any of its climate-focused plans as they relate to the operation of Narragansett. But they have not. In Commitment 11 of the “Statement of Existing and Additional Commitments”¹², PPL now proposes to take a full additional year following the transaction close to provide the Division with such plans. PPL executives repeatedly asserted throughout the proceedings that PPL could not provide climate or specific decarbonization strategies earlier because they do not yet own the utility system.¹³ This argument fails to hold water since PPL was apparently able to develop, and submit for the record, extensive information regarding their other transitional plans in several other aspects of the business. The near-complete exclusion of Narragansett from PPL’s November 2021 corporate-wide climate plan and the lack of subsequent filings in this matter regarding climate are in stark contrast with National Grid, which developed “Our Plan: National Grid Net-Zero by 2050” to include decarbonization of the Narragansett utilities.¹⁴

As a condition of any Division transaction approval, Acadia Center respectfully requests the Hearing Officer require PPL to adopt National Grid’s Net Zero by 2050 corporate strategy as a starting point for its own plans for Narragansett. Acadia Center also respectfully requests the Hearing Officer require PPL to, within six

¹² Joint Petitioners’ Exhibit 2. “Statement of Existing and Additional Commitments.” Page 7.

¹³ Bonenberger Testimony. 14 December 2021. Transcript Page 43, Line 5 through Page 44, Line 6.

¹⁴ Acadia Center Exhibit 2. “*Our Plan: National Grid Net Zero by 2050.*”

months, develop and submits any planned enhancements for Narragansett that go beyond National Grid's strategy and will help achieve Rhode Island's pathway to Net Zero by 2050.

After preparing for nearly a complete year to assume operations of Narragansett, it should not take PPL a full year to assess and share their vision for decarbonizing both the electric and gas utilities. PPL CEO Vincent Sorgi testified that their most recent corporate-wide climate update, *Energy Forward*, took approximately six months to create.¹⁵ Further, Mr. Sorgi testified that PPL expects to be able to file its decarbonization plans, along with Advanced Metering plans, "very expeditiously following close"¹⁶ of the transaction.

As potential new owners of Rhode Island's dominant utility services, PPL's own vision of the future is a critical input for state policymakers to understand as the state develops strategies for decarbonizing the broader economy. PPL's climate strategy as it relates to Narragansett should have been provided as part of the transaction evaluation in these proceedings and we urge the Division to take the above-recommended actions to remedy this omission.

PPL Has No Experience with Decarbonized Gas Approaches. National Grid is a Leader.

In his testimony, PPL CEO Vincent Sorgi acknowledged that PPL will need to address emissions in the gas distribution system.¹⁷ Yet, PPL Director of Regulatory Affairs Bethany Johnson testified that she could not speak to why PPL's 2021 *Energy Forward* climate report lacked a discussion of reducing greenhouse gas emissions associated with the use of gas in buildings.¹⁸ Nor could PPL's Executive Vice President and Chief

¹⁵ Sorgi Testimony. 13 December 2021. Transcript Page 116, Lines 10-18.

¹⁶ Sorgi Testimony. 13 December 2021. Transcript Page 120 Line 12 through Page 121, Line 13.

¹⁷ Sorgi Testimony. 13 December 2021. Transcript Page 118, Lines 6-21.

¹⁸ Johnson Testimony. 15 December 2021. Transcript Page 29, Lines 1-12.

Operating Officer Gregory Dudkin.¹⁹ Finally, Mr. Lonnie Bellar, who serves as Chief Operating Officer of PPL's subsidiary, Louisville Gas & Electric (LG&E), testified that in *Energy Forward*, "we did not focus on the more what I would call a new focus on decarbonizing the gas system itself, not concentrating necessarily on leaks but trying to decarbonize the gas system."²⁰ This is despite the fact that the PPL corporation operates a local gas distribution company (LDC) in Kentucky and that Mr. Dudkin acknowledged that the process of finding opportunities to reduce greenhouse gas emissions in an LDC would be within the company's control.²¹

Mr. Sorgi acknowledged PPL's 2021 Climate Assessment Report, entitled "*Energy Forward*" and introduced as Acadia Exhibit 1, was focused primarily on emissions from PPL's electricity generation fleet²² and that with regards to emissions from the gas distribution system, that PPL does not yet have an ongoing process or report for decarbonizing the Kentucky local distribution company it operates.²³ Despite this lack of a process or report, nearly 9 months after announcing the potential acquisition of Narragansett, Mr. Sorgi asserted that PPL is "actively moving into working on that plan for the gas LDC in Kentucky as well as Rhode Island should we be successful in these proceedings."²⁴ Mr. Sorgi testified that PPL is not involved in any state regulatory process where the issue of reducing emissions from the gas distribution system is pertinent or the primary focus.²⁵ Meanwhile, National Grid is engaged in Massachusetts D.P.U. Docket 20-80, a regulatory proceeding examining the future of the Natural Gas system.²⁶ Under Narragansett's current corporate ownership, Rhode Island benefits from National Grid's experience in studying, considering, and pursuing

¹⁹ Dudkin Testimony. 15 December 2021. Transcript Page 82, Lines 5-9.

²⁰ Bellar Testimony. 14 December 2021. Transcript Page 153, Line 3 through Page 154, Line 4.

²¹ Dudkin Testimony. 15 December 2021. Transcript Page 82, Lines 16-22.

²² Sorgi Testimony. 13 December 2021. Transcript Page 116, Line 19 through Page 117, Line 13.

²³ Sorgi Testimony. 13 December 2021. Transcript, Page 117, Lines 14-17.

²⁴ Sorgi Testimony. 13 December 2021. Transcript, Page 117, Lines 9-13.

²⁵ Sorgi Testimony. 13 December 2021. Transcript, Page 117, Line 24 through Page 118, Line 5.

²⁶ Docket 20-80. Massachusetts Department of Public Utilities. Vote and Order Opening Investigation. 29 October 2020. <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/12820821>

decarbonized heating technologies across all of its jurisdictions. National Grid’s “Net Zero by 2050” document details the Company’s commitment to “achieve net zero greenhouse gas (GHG) emissions by 2050, including our own operations and emissions that result from the sale of electricity and gas to our customers.”²⁷ Further, National Grid has committed to a “transition away from delivering traditional geologic natural gas to our customers to providing them with low- and zero-carbon renewable natural gas (RNG) and hydrogen.”²⁸

Mr. Bonenberger acknowledged PPL has less experience than National Grid involving decarbonized, alternative fuel approaches to gas heating.²⁹ Mr. Bellar also generally agreed with the premise that PPL as a broader corporation does not have as much experience in decarbonizing the gas distribution system as National Grid.³⁰ Mr. Dudkin confirmed PPL lacks experience with geothermal networking opportunities as well as using alternative, decarbonized gases in its distribution systems, and further has no current plans to do so.³¹ Acadia Center Exhibit 3 is PPL’s response to our data requests that confirms “PPL currently does not have any experience or future plans involving the use of gas distribution networks to deliver other gaseous fuels, including but not limited to hydrogen. PPL and PPL RI also currently do not have any plans to use the gas distribution network in Rhode Island in this manner.”³² Acadia Center Exhibit 4 is another PPL response to our data requests that confirms: “PPL does not have any experience with geothermal heating districts, and PPL does not have any research or plans associated with geothermal district potential in Rhode Island.”³³

Meanwhile, National Grid is actually implementing these decarbonized heating approaches across multiple jurisdictions. Acadia Center Exhibit 5 demonstrates evidence of National Grid’s actions to support

²⁷ Acadia Center Exhibit 2. “Our Plan: National Grid Net Zero by 2050.” Page 1

²⁸ Acadia Center Exhibit 2. “Our Plan: National Grid Net Zero by 2050.” Page 1

²⁹ Bonenberger Testimony. 14 December 2021. Transcript Page 45, Line 21 through Page 48, Line 7.

³⁰ Bellar Testimony. 14 December 2021. Transcript Page 156, Lines 3-11.

³¹ Dudkin Testimony. 15 December 2021. Transcript Page 111, Line 9 through Page 113, Line 7.

³² Acadia Center Exhibit 3. Acadia 1-5 of PPL Responses to Acadia Center’s First Set of Data Requests.

³³ Acadia Center Exhibit 4. Acadia 1-7 of PPL Responses to Acadia Center’s First Set of Data Requests.

their Net Zero by 2050 corporate strategy. In Massachusetts Department of Public Utilities Docket 21-24, National Grid proposed a geothermal network pilot, which has potential to transition its gas utility business away from the delivery and combustion of natural gas³⁴. The pilot was subsequently approved by the Massachusetts Department of Public Utilities on December 15, 2021.³⁵

National Grid also has far more experience developing another potential decarbonized heating technology—green hydrogen. Acadia Center Exhibit 6 is an announcement from National Grid and Hempstead, New York to build one of the first and largest clean hydrogen projects in the country which will blend decarbonized green hydrogen into the existing gas distribution network.³⁶

The record demonstrates that, despite Mr. Bellar’s assertion that “no one has years and years of experience as an organization”³⁷ implementing decarbonized heating strategies, National Grid has, in actuality, has done the years of study and preparatory work necessary to receive regulatory approval for several projects. Narragansett has a number of gas distribution system challenges in Rhode Island that could be well served by National Grid’s direct experience in these projects and other efforts aimed at achieving the corporate commitments made in its Net Zero by 2050 document. If this transaction is approved, Narragansett, and Rhode Islanders, will largely lose the benefit of National Grid’s experience with these decarbonized heating approaches. As PPL has repeatedly conceded, they have no experience implementing

³⁴ Acadia Center Exhibit 5. Cover Letter and Filing of Massachusetts D.P.U. 21-24: Boston Gas Company d/b/a National Grid: Petition for Approval of a Geothermal District Energy Demonstration Program. 18 February 2021.

³⁵ Approval Order in Massachusetts D.P.U. 21-24: Boston Gas Company d/b/a National Grid: Petition for Approval of a Geothermal District Energy Demonstration Program. 15 December 2021. Page 32.

³⁶ Acadia Center Exhibit 6. “National Grid and Town of Hempstead to Develop One of the First Green Hydrogen Blending Projects in the Country.” National Grid Press Release. 15 December 2021.

³⁷ Bellar Testimony. 14 December 2021. Transcript Page 156, Line 11 through Page 157, Line 2.

geothermal networking or hydrogen technologies and have no plans to pursue those approaches in Rhode Island.³⁸

In the list of Commitments offered by petitioners on December 11, 2021, PPL commits to providing a report on its decarbonization goals and long-term strategy for the gas distributions system a full year after the close of these proceedings. Without that information to consider today, Acadia Center must assess the loss of National Grid's expertise in decarbonized heating alternatives as a detriment to the public interest for the foreseeable future.

In light of these facts, Acadia Center encourages the Division to attach conditions to any transaction approval, including a requirement that Narragansett halt new gas service connections not already in the queue, until such a time that PPL's plans regarding the future of the gas distribution network are shared and approved by regulators. This action will protect ratepayers against approvals of unwarranted, long-lived gas infrastructure investments that are likely to contradict state efforts to reduce carbon dioxide and methane emissions in compliance with the Act on Climate.

PPL Has Less Experience Administering Top Tier Efficiency Programs

Mr. Bonenberger testified that he sees the energy efficiency work in Rhode Island as part of the state's decarbonization goal.³⁹ Mr. Dudkin testified that when comparing the energy efficiency programs of Pennsylvania and Rhode Island, "I would say just the dollars invested it appears that Rhode Island's is pretty aggressive comparatively speaking."⁴⁰ The record demonstrates National Grid has far more experience than PPL in operating the type of nation-leading energy efficiency programs that can meet and exceed the high

³⁸ Acadia Exhibits 3 and 4. PPL Responses to Acadia Center Data Requests 1-5 and 1-7, respectively.

³⁹ Bonenberger Testimony. 14 December 2021. Transcript, Page 59 Line 23 through Page 60, Line 2.

⁴⁰ Dudkin Testimony. 15 December 2021. Transcript, Page 91 lines 14-21.

legal requirements of Rhode Island’s least-cost procurement laws and associated regulatory processes. In fact, according to the American Council for an Energy-Efficient Economy, all three U.S. jurisdictions where National Grid operates energy efficiency programs are ranked in the top five in the nation.⁴¹ Comparatively, PPL’s experience in U.S. jurisdictions is currently limited to operating programs in the states of Pennsylvania and Kentucky, which ranked number 19 and 33 respectively in the same scorecard. More specifically, when looking at the portion of the scorecards examining “utility and public benefits programs and policies,” Rhode Island scored a 19.5 in 2020, compared to Pennsylvania’s score of only 4. Kentucky scored a mere 1.5 in this category.⁴²

Mr. Bonenberger recognized there is a difference in energy efficiency expectations between the current National Grid jurisdictions and PPL’s current jurisdictions.⁴³ Clearly, there is a disparity between the experience and facility with which National Grid and PPL provide energy efficiency services to customers—which Mr. Bonenberger recognizes is a major utility program.⁴⁴ In Mr. Bonenberger’s rebuttal testimony, he asserted, “PPL will propose changes that it expects will deliver overall enhanced performance in energy efficiency and least cost procurement.”⁴⁵ However, when Acadia Center cross-examined Mr. Bonenberger seeking details of these potential changes, Mr. Bonenberger responded, “Right now we do not have specifics.”⁴⁶

Based on PPL’s lack of experience with the rigor required of Rhode Island’s energy efficiency programs risks a diminishment of critical energy efficiency services. Acadia Center respectfully recommends

⁴¹ Advocacy Section Exhibit 33. The 2020 State Energy Efficiency Scorecard. Page xi.

⁴² Advocacy Section Exhibit 33. The 2020 State Energy Efficiency Scorecard. Page xi.

⁴³ Bonenberger Testimony. 14 December 2021. Transcript Page 38, Lines 13-21.

⁴⁴ Bonenberger Testimony. 14 December 2021. Transcript Page 35,

⁴⁵ PPL Exhibit 1. Rebuttal Testimony of David Bonenberger. Page 43 of 48, Lines 3-5.

⁴⁶ Bonenberger Testimony. 14 December 2021. Transcript Page 35, Line 18 through Page 36, Line 3.

the Division, as a condition of the sale, require Narragansett to submit a FY 2023 energy efficiency plan budget equal to a minimum of 110 percent of the FY 2022 energy efficiency budget filed in PUC Docket 5189, identifying all-cost effective energy savings that are less than the cost of additional supply.

PPL's Gas Utility Trails Narragansett in Hazardous Leak Remediation Program

National Grid and PPL's respective efforts to address hazardous gas leaks in their subsidiaries speaks to both the public interest as well as their respective facilities to furnish critical utility service—repairing dangerous and climate-harming methane emissions that have the potential to devastate Rhode Island's communities in an instant. Gas leaks typically do not fix themselves, and in evaluating this transaction, the Division must examine the relative performance of both PPL and National Grid in designing and executing hazardous gas leak repair programs.

The Division must also recognize that the absolute total number of hazardous gas leaks in Rhode Island will vary greatly from Kentucky, and from many other jurisdictions. Rhode Island, like much of the Northeast, has some of the oldest natural gas infrastructure in the country, some of which dates back to the 1800s. According to the Advocacy Section's witness, Mr. Oliver, "The magnitude of the problem for Narragansett, because it is an old system in an urban area, primarily in an urban area is greater and requires more annual effort to address, and I think in that context the improvements accomplished by Narragansett are substantial. LG&E was a less rigorous undertaking from my perspective."⁴⁷ The Division should evaluate each utility's success in reducing those hazardous leaks over time as an indication of utility performance and focus.

⁴⁷ Oliver Testimony. 16 December 2021. Transcript Page 199, Line 20 through Page 200, Line 4.

Mr. Lonnie Bellar testified in his capacity as the Chief Operating Officer of PPL subsidiaries Louisville Gas and Electric (LG&E) and Kentucky Utility (KU) Services. Mr. Bellar also provided data, found in PPL Exhibit 8, regarding gas leak comparisons between LG&E and Narragansett. According to the data provided by Mr. Bellar in PPL Exhibit 8, in the category of “Hazardous Leaks-Mains”, LG&E counted 90 hazardous leaks in 2011 and 65 in 2020, or a 27.7 percent reduction.⁴⁸ Over the same time period, Narragansett reported 578 leaks in 2011, dropping to 179 in 2020, or a reduction of 69 percent. Utilizing Mr. Bellar’s data for “Hazardous Leaks- Mains (Leaks per 100 Miles of Mains)”, LG&E reported 2.098 Hazardous Leaks per 100 Miles of Main in 2011. In 2020, that figure dropped to 1.478, or a reduction of 29.6 percent. Narragansett’s figures in the same category were 18.273 in 2011 and 5.550 in 2020, or a reduction of 69.7 percent. In terms of reducing hazardous gas main leaks, Narragansett has vastly outperformed LG&E. This speaks directly to facility with which each corporation is able to design and implement its hazardous gas leak remediation program—among the most critical utility service programs for public safety.

With regards to hazardous service line leaks, the trends remain the same and again demonstrate a clear advantage for Narragansett operating under National Grid’s corporate ownership. Mr. Bellar testified that until 2013, Louisville Gas and Electric, “did not have responsibility for service lines that are the subject of these leaks.” Analyzing the data Mr. Bellar provided in PPL Exhibit 8, LG&E reported 1,367 “Hazardous Leaks-Services” in 2013 and 853 in 2020, or a 37.6 percent reduction. In the same category, Narragansett reported 544 leaks in 2013 and 251 in 2020, or a 53.8 percent reduction over the same time period.

While Mr. Bellar stated LG&E did not have responsibility for service lines until 2013⁴⁹, the record does not demonstrate which month of 2013. Let us assume for a moment that 2014 was the first full year of LG&E’s

⁴⁸ PPL Exhibit 8. Data Compiled by Mr. Bellar to Support Exhibit 7.

⁴⁹ Bellar Testimony. 14 December 2021. Transcript Page 160, Line 20 through Page 161, Line 2.

responsibility for hazardous service line leaks. LG&E counted 1,051 Hazardous Service Line Leaks in 2014 and 853 in 2020, or a 23.2 percent reduction. Over the same time period, Narragansett reported 608 Hazardous Service Line Leaks in 2014 and 251 in 2020, or a 58.7 percent reduction.

The findings are the same even when using Mr. Bellar's data for "Hazardous Leaks-Services (Per 1,000 Services)." In 2013, LG&E reported 4.59 hazardous service leaks per 1,000 services, dropping 37.9 percent to 2.85 hazardous service leaks per 1,000 services in 2020. Narragansett's reduction from 2.82 hazardous service leaks per 1,000 services to 1.29 per 1,000 services over the same time period represents a 53.6 percent decrease compared to LG&E's 37.9 percent reduction. Again, even if we assume that LG&E was not in control of service lines for the entire year of 2013, hazardous service leaks per 1,000 services only dropped 19 percent from 2014 to 2020 (3.52 in 2014 and 2.85 in 2020). Comparatively, Narragansett reduced their hazardous service leaks per 1,000 services by 58.9 percent in the same category over the same time frame (3.14 in 2014 and 1.29 in 2020.)

When it comes to repairing hazardous gas leaks, Narragansett, operating under National Grid's corporate directives, has clearly outperformed Louisville Gas & Electric operating under PPL's corporate ownership. While PPL may attempt to argue that the Division should focus on a single year of data, such as the 2020 figures isolated as PPL Exhibit 7, the standard of review in this case naturally demands we evaluate utility performance over its time implementing a program to determine whether the facility for furnishing such services will be diminished and whether the transaction is in the public interest. As Acadia Center has demonstrated over the preceding paragraphs, PPL's own exhibit demonstrates National Grid and Narragansett have done a better job addressing hazardous gas leaks. The achievement gap between the corporations presents a significant risk to the public interest and safety of Rhode Islanders, whether they are gas ratepayers or not. Acadia Center respectfully requests the Division, as a condition of any transaction

approval, require PPL to, at a minimum, follow National Grid's leak protocol in the event it assumes ownership of Narragansett's gas assets.

Transaction Delayed National Grid's Advanced Meter and Grid Modernization Plans

PPL relies heavily upon its experience in deploying advanced meters and distributed energy resource management services as evidence it will provide a benefit to Rhode Island ratepayers. Before the announcement of this proposed utility transaction, National Grid spent years developing its advanced metering and grid modernization plans, filed in Public Utilities Commission Dockets 5113 and 5114. Shortly after news of this proposed transaction, those plans have been put on hold pending the outcome of these proceedings.⁵⁰

To date, PPL has not submitted its own vision for advanced metering and grid modernization in Rhode Island and has not included any specific commitments designed to protect Rhode Island ratepayers with regard to its future advanced meter and grid modernization plans.⁵¹ PPL also repeatedly failed to describe the value of synergies or savings resulting from its meter vendor relationships.⁵²

PPL's experience in deploying advanced metering and other grid modernization investments could very well be a benefit to Rhode Island ratepayers. Yet, that experience may not represent a significant advantage over the performance that National Grid would deliver on behalf of Rhode Island ratepayers in

⁵⁰ Bonenberger Testimony. 13 December 2021. Transcript Page 158, Line 9 through Page 159, Line 5.

⁵¹ Sorgi Testimony. 13 December 2021. Transcript page 82 Line 11 through Page 84, Line 4.

⁵² Bonenberger Testimony. 14 December 2021. Transcript Page 32, Lines 10 through 14.

advanced metering and grid modernization deployment. As Advocacy Section witness Gregory Booth testified:

“The National Grid AMF and grid modernization plan has enormous synergies. Dollar benefits were documented between New York and Rhode Island, and how much Rhode Island would save being part of the National Grid as a whole versus stand-alone. That was roughly 40 million on AMF, 80 million on GMP. And those savings were shown through the stakeholder process. There will be additional benefits as Massachusetts moves forward with AMF and grid mod, and that’s an enormous synergy in benefit to Rhode Island which is significantly smaller than New York and Massachusetts and I don’t see that PPL is offering comparable or similar benefits.”⁵³

In fact, PPL executive David Bonenberger testified “when I read the National Grid filing—I have to give credit to National Grid. They did a very nice job, and in fact, their solution is the same solution that we just finished in Pennsylvania in 2019.”⁵⁴ Bonenberger explained that PPL is currently updating the AMF business case and “there are some additional costs that we feel were missed in that business case and there were some additional benefits that weren’t—again, they did a great job. The nice thing is we’re doing the same solution. It’s also the same solution we’re implementing in Kentucky.”⁵⁵

However, the specific details of PPL’s plans are not yet available to analyze and compare to plans and ratepayer benefits projected by National Grid its Docket 5113 and 5114 filings. Advocacy Section witness Gregory Booth testified that PPL had provided no petition support for the statement from PPL’s Mr. Dudkin that grid modernization would be cheaper with PPL’s platforms.⁵⁶ Mr. Booth further stated:

⁵³ Booth Testimony. 15 December 2021. Transcript Page 170, Line 19 through Page 171, Line 9.

⁵⁴ Bonenberger Testimony. 13 December 2021. Transcript Page 164, Lines 19-24.

⁵⁵ Bonenberger Testimony. 13 December 2021. Transcript Page 165, Lines 5-14.

⁵⁶ Booth Testimony. 15 December 2021. Transcript Page 196, Line 5 through Page 197, Line 2.

“We know National Grid has identified significant benefits to Narragansett...Rhode Island by their service company, multi-state synergies for grid modernization plan. I can’t state whether Mr. Dudkin will wind up correct or incorrect because there’s no detail to back it up. It just seems—you know, its just an opinion with no support and there’s no commitment to that statement, so the ratepayers are the ones at risk if he’s wrong.”⁵⁷

Based on the evidence, and this concern of one of the foremost experts in the utility business, Acadia Center respectfully requests the Hearing Officer condition any transaction approval on the condition that PPL submit Narragansett’s updated Grid Modernization Plan (GMP) and AMF Business Case to the Division within six months, rather than the twelve months planned in Petitioners’ Commitment Number 13. Furthermore, Acadia Center respectfully requests the Hearing Officer condition any transaction approval on the requirement that the updated GMP and AMF Business Case filings project Benefit-Cost Ratios equal to or greater than those projected by National Grid on its multi-jurisdictional deployment basis in Dockets 5113 and 5114 and that any potential loss of benefits borne by Rhode Island ratepayers due to the change in plan filings be borne entirely by PPL shareholders and not ratepayers.

Summary of Acadia Center’s Proposed Conditions for Transaction Approval

Based on the evidence in the record, Acadia Center has significant concerns that the transfer of Narragansett from the National Grid corporate family to the PPL corporate family would harm Rhode Islanders. If the Division approves this transaction, Acadia Center respectfully requests that the Hearing Officer condition such approval on the following additional requirements:

⁵⁷ Booth Testimony. 15 December 2021. Transcript Page 196, Line 16 through Page 197, Line 2.

1. **Adopt National Grid's Decarbonization Strategy.** Require PPL to adopt National Grid's Net Zero by 2050 corporate strategy as a starting point for its own climate and gas network plans for Narragansett.
2. **Build Upon National Grid's Net Zero Plan.** Within six months of transaction approval, require PPL develop and submit any planned enhancements for Narragansett that build upon National Grid's pathway to Net Zero by 2050.
3. **Gas Connection Pause.** Narragansett halt new gas service connections not already in the queue, until such a time that PPL's own plans and/or enhancements regarding the future of the gas distribution network are shared and approved by regulators. This action will protect ratepayers against approvals of unwarranted, long-lived gas infrastructure investments that are likely to contradict state efforts to reduce carbon dioxide and methane emissions in compliance with the Act on Climate.
4. **All-Cost Effective Energy Efficiency.** Narragansett must submit a FY 2023 energy efficiency plan budget equal to a minimum of 110 percent of the FY 2022 energy efficiency budget filed in PUC Docket 5189, identifying all-cost effective energy savings that are less than the cost of additional supply.
5. **Maintenance of Effort in Hazardous Leak Remediation.** Acadia Center respectfully requests the Division, as a condition of any transaction approval, require PPL to, at a minimum, follow National Grid's hazardous leak protocol in the event it assumes ownership of Narragansett's gas assets.
6. **Accelerate Updated AMF and GMP Filings.** Acadia Center respectfully requests the Hearing Officer condition any transaction approval on the condition that PPL submit Narragansett's updated Grid

Modernization Plan (GMP) and AMF Business Case to the Division within six months, rather than the twelve months planned in Petitioners' Commitment Number 13.

7. **Protect Ratepayers in Updated AMF and GMP Filings.** Acadia Center respectfully requests the Hearing Officer condition any transaction approval on the requirement that the updated GMP and AMF Business Case filings project Benefit-Cost Ratios equal to or greater than those projected by National Grid on its multi-jurisdictional deployment basis in Dockets 5113 and 5114 and that any potential loss of benefits borne by Rhode Island ratepayers due to the change in plan filings be borne entirely by PPL shareholders and not ratepayers.

8. **Honoring EFSB Process.** PPL will honor the filing deadlines in EFSB-2021-04 regarding Aquidneck Island and will not seek to delay or restart the regulatory process, per the commitment made in hearing testimony by Mr. Dudkin on December 15, 2021.⁵⁸

Hearing Officers Request for Brief re: Compelling Perpetual Ownership by National Grid

In response to the Hearing Officer's request at the end of proceedings to brief the question of whether the Division could compel perpetual ownership of Narragansett by National Grid⁵⁹, Acadia Center does not believe there is legal authority that gives the state such a power. Respectfully, Acadia Center does not believe any party is offering that position or proposing such a legal standard exists.

To evaluate whether the proposed transaction would diminish the facilities for furnishing services to the public and whether the transaction is consistent with the public interest, parties presented evidence that drew contrasts between the joint applicants, in this case National Grid and PPL. If the transaction involved a

⁵⁸ **Dudkin Testimony.** 15 December 2021. Transcript Page 82, Line 23 through Page 84, Line 18.

⁵⁹ **Hearing Officer.** 16 December 2021. Transcript Page 340, Line 3 through Page 341, Line 12.

different utility seeking to assume operations of Rhode Island's electric and gas distribution systems, Acadia Center would have instead conducted an analysis of the differences between National Grid and that party. To be sure, other corporations have owned and operated Narragansett in the past, and others will likely own it in the future. Acadia Center's position does not rely upon a belief that only National Grid can operate Narragansett. Nor does Acadia Center's position rely upon a belief that National Grid itself is pursuing all available clean energy opportunities at the pace required to address the climate crisis. Acadia Center is thoroughly engaged in numerous policy initiatives, working groups, and other dockets to accelerate National Grid's deployment of additional clean energy resources.

To summarize the significant differences between PPL and National Grid, Acadia Center agrees with Mr. Knecht in his testimony on behalf of the Attorney General:

"I would certainly agree, I don't think there's any dispute, that the environmental rules and policies are stricter in the Northeast than they are in the major natural gas-producing state of Pennsylvania [and Kentucky]. So you know, PPL will need to adapt. If the transaction is approved, they will need to adapt to a jurisdiction that has, I think, fairly significantly different environmental policies, that isn't to say they can't, but they will need to adapt."⁶⁰

It is this need for accelerated adaptation by PPL that poses the most significant issue to Acadia Center. The Division must ensure, in evaluating whether to approve this transaction, that PPL can quickly accelerate its environmental practices to match the requirements, laws, and policies of Rhode Island. As the Act on Climate makes clear, Rhode Island does not have the luxury of time to react to the climate crisis, even if its primary gas and electric utility is changing corporate hands.

⁶⁰ Knecht Testimony. 16 December 2021. Transcript Page 254, Line 14 through Page 255, Line 5.

Conclusion

PPL had an extensive opportunity to demonstrate their capabilities and plans with regards to addressing climate change and has, to date, failed to do so. PPL has developed and shared its plans to take over many aspects of the Narragansett business on Day 1 and testified at length regarding the two-year transitional period. But when pressed for answers about their plans to help Rhode Island meet its mandatory climate targets, which are in the public interest, PPL's response was that it will let Rhode Islanders know in a year. When pressed for answers about specific programs, commitments, and utility services currently furnished by National Grid, PPL's response is, again, that it will let Rhode Islanders know in a year. That timeline is simply too long to maintain Rhode Island's progress on the climate crisis. With regard to the provision of energy efficiency services to ratepayers, aggressive reductions in hazardous methane leakage, and a significant decarbonization of the gas utility business, the record demonstrates that National Grid has a clear performance advantage over PPL. As the Division must evaluate whether the transaction is in the public interest, Acadia Center believes PPL has failed to provide sufficient information regarding climate change and decarbonization strategies or evidence that the transfer of ownership of Narragansett would be in the public interest.

Acadia Center looks forward to continuing its work with all parties to achieve the greenhouse gas emissions reduction mandated by the Act on Climate. If the transaction is approved, Acadia Center commits to continue this work with PPL throughout the transition period and beyond and offers its assistance as a critical, trusted connection to the Rhode Island communities PPL will now serve.

WHEREFORE, based on the foregoing reasons, ACADIA CENTER respectfully asks that the Division consider these arguments in its evaluation of the proposed transaction and condition any approval on the suggested requirements offered herein.

Respectfully submitted,

ACADIA CENTER

By its attorney,



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Dated: January 18, 2022

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC and Related Approvals

Docket No. D-21-09

CERTIFICATE OF SERVICE

I certify that on January 18, 2022, the original and four hard photocopies of this Post-Hearing Memorandum were hand-delivered to the Clerk of the Division of Public Utilities and Carriers at 89 Jefferson Blvd., Warwick, RI 02888. In addition, electronic copies of this Post-Hearing Memorandum were served via electronic mail on the service list for this Docket on January 18, 2022.

Respectfully submitted,



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