

State of Rhode Island

Public Utilities Commission

Minutes of Open Meeting Held on June 29, 2021

An Open Meeting of the Public Utilities Commission (Commission or PUC) was held Tuesday, June 29, 2021 at 10:00 P.M. in Hearing Room A, 89 Jefferson Boulevard, Warwick, Rhode Island to discuss, deliberate, and/or vote on the following dockets.

In attendance: Chairman Ronald Gerwatowski, Commissioner Abigail Anthony, Commissioner John Revens, Cynthia Wilson-Frias, John Harrington, Alan Nault, Todd Bianco, Emma Rodvien and Luly Massaro.

- I. Chairman Gerwatowski called the Open Meeting to order at 10:00 A.M. A quorum was present.
- II. **Approval of Minutes of Open Meetings** - Chairman Gerwatowski moved approve the Minutes of the Open Meetings held on April 14, 2021, May 26, 2021, June 10, 2021 and June 24, 2021. The motion was seconded by Commissioner and unanimously passed. **Vote 3-0.**
- III. **Docket No. 5133 – Kent County Water Authority (KCWA)** – This docket relates to KCWA’s tariff advice and petition for approval to move forward with converting all customers to monthly billing. The PUC considered an Amended Settlement Agreement executed between the KCWA and the Division of Public Utilities and Carriers submitted on June 4, 2021. The parties agreed that KCWA will implement one tariff change effective July 1, 2021 and that customers will see the transition of their bills from quarterly to monthly in either their August 2021, September 2021, or October 2021 bill. The parties agreed that KCWA will modify their billing practice under the private fire service tariff. After review, Chairman Gerwatowski moved to approve the Amended Settlement Agreement. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- IV. **Docket No. 4994 – Providence Water Supply Board (Providence Water)** – This docket relates to Providence Water’s compliance filing under the Multi-Year Rate Plan (Plan) approved by the Commission (in Order No. 23928). The PUC reviewed the record relating to the Providence Water Supply Board’s Compliance Filing to implement increase in Rate Year 2 (RY2) pursuant to the Plan. Providence Water sought approval of rates designed to collect an additional \$4,310,146 in revenue to support Providence Water's total cost of service of \$89,309,453. The requested effective date of Providence Water’s proposed rates is July 1, 2021. After deliberation, the following motions were made on the outstanding issues:

Restricted Funds - Bristol County Water position advocated reducing the restricted funds. The Commission was reluctant to disturb the three year rate plan approved by

the PUC. The Commission explained that unlike the personnel and electric expense, the Commission had not provided for a specific review of any other spending in the multi-year rate plan revenue requirement. No adjustment was made.

Electric Expense – The Commission agreed that ratepayers should be paying for 100% of REC targets. Commissioner Anthony moved that the PUC deduct \$106,000 from RY2 electricity expense to reflect the market value of Renewable Energy Credits beyond what is needed to cover 100% of Providence Water’s electricity consumption accounting for compliance with RI Renewable Energy Standard. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Hiring Expense - Commissioner Anthony moved to deduct \$844,602 from RY2 personnel expense. The remaining \$15,988,334 will be held in an account restricted for personnel expense. Commissioner Revens moved to amend the motion to deduct \$844,602 from RY2 but to remove the restricted account piece. Commissioner Anthony concurred and seconded the amended motion. After further discussion between the Commissioners, for clarity Commissioner Anthony moved to deduct \$844,602 from the RY2 personnel expense. Commissioner Revens seconded the motion. Chairman Gerwatowski dissented with the majority noting there is recognition that there is uncertainty associated with Providence Water trying to hire personnel. He preferred to find the midpoint, to restrict the payroll for RY2, grant a portion of the payroll expense requested and to revisit the expense account. **Vote 2-1.**

Chairman Gerwatowski led a discussion about the effect of the two adjustments. Mr. Nault explained that the effect would be to reduce Providence Water’s revenue requirement by \$950,602 for RY2. Attorney Wilson-Frias advised that a motion was not necessary because Providence Water would need to file a compliance filing reflecting the two adjustments. Mr. Nault explained that the total adjustment would be slightly higher due to the impact on the revenue reserve and operating reserve. .

Providence Water was, therefore, instructed to submit a compliance filing consistent with the two adjustments made today.

Attorney Wilson-Frias suggested the Commission clarify whether the adjustments would affect the Rate Year 3, revenue requirement. Chairman Gerwatowski adopted a motion to clarify that the PUC did not modify the approved revenue requirement for Rate Year 3. However, the PUC extends the provisions of this order to consider personnel and electric expense in Rate Year 3. Commissioner Anthony seconded and the motion unanimously passed. **Vote 3-0.**

- V. **Docket No. 5161 – Kent County Water Authority (KCWA)**- KCWA submitted a motion to pass through the wholesale rate increase requested by Providence Water Supply Board in Docket No. 4994. The requested effective date of KCWA’s proposed rates is July 1, 2021. After review, Chairman Gerwatowski moved to approve the motion to pass through the wholesale rate increase as requested by

Providence Water Supply Board in Docket No. 4994 as modified by the Commission today. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- VI. Commissioner Revens left the Open Meeting and did not participate for remainder of the Open Meeting.
- VII. Docket Nos. 5113 and 5114 – The Narragansett Electric Co. d/b/a National Grid (Company)** - These dockets relate to National Grid’s proposed Updated Advanced Metering Functionality (AMF) Business Case in Docket 5113 and Grid Modernization Plan in Docket 5114. The Division filed a motion to stay proceedings. After consideration, Chairman Gerwatowski moved to grant the Division’s outstanding motion to stay proceeding pending further review after the outcome is known from the prospective sale of Narragansett Electric to PPL Rhode Island. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 2-0.**
- VIII. Docket No. 4770 - The Narragansett Electric Co. d/b/a National Grid (Company)** - National Grid submitted proposed Performance Incentive Factor (PIF) Filing pursuant to the Company’s Performance Incentive Recovery Provision approved the PUC in this docket. The Division filed a position memorandum concluding the Company has met the criteria for the maximum System Efficiency incentive of \$622,370 for calendar year 2020 and correctly calculated the related PIF Factor. The Division recommended approval of the Company’s proposed Performance Incentive Factor of \$0.00008 per kWh for effect t on July 1, 2021. Chairman Gerwatowski moved to approve the incentives and PIF factor as filed. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 2-0.**
- IX. Docket No. 5085 - The Narragansett Electric Co. d/b/a National Grid (Company)** - National Grid submitted proposed Long-Term Contracting for Renewable Energy (LTCRER) factor for the period July 1, 2021 through December 31, 2021. The Division filed a position memorandum finding the LTCRER factor filing calculations correct, in accordance with the LTCRER provision and recommended approval of a LTCRER recovery factor of \$0.00557 per kWh effective July 1, 2021. After review, Chairman Gerwatowski moved to approve the Company’s proposed factor as filed . Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 2-0.**
- X. Docket No. 5156 – The Narragansett Electric Co. d/b/a National Grid (Company)** - National Grid submitted proposed Residential Assistance Recovery Filing for effect July 1, 2021. The filing included proposed Arrearage Management Adjustment Factor (AMAF) and proposed Low-Income Discount Recovery Factor (LIDRF), both of which are covered by the Company’s Residential Assistance Provision (RAP). The Division submitted a position memorandum concluding the Company’s AMAF and LIDRF calculations are correct and recommended approval. After a summary of the record, the following motions were made:

Chairman Gerwatowski moved to approve the AMAF of \$0.00006 as filed. Commissioner Anthony seconded the motion and the motion passed. **Vote 2-0.**

Chairman Gerwatowski moved to approve the LIDRF of \$0.00196 as filed. Commissioner Anthony seconded the motion passed. **Vote 2-0.**

XI. Docket No. 5157 – The Narragansett Electric Co. d/b/a National Grid (Company) - National Grid submitted its annual Revenue Decoupling Mechanism (RDM) reconciliation for the 12-month period ending March 31, 2021 and proposed RDM adjustment factor of (\$0.00042) per kWh. The effective date of the proposed factor is July 1, 2021. The Division submitted a memorandum finding the Company correctly calculated the proposed RDM adjustment factor and recommended approval as filed. After review, Chairman Gerwatowski moved to approve the Company’s proposed RDM adjustment factor as filed. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 2-0.**

XII. Applications for Eligibility as a Renewable Energy Resource – The PUC reviewed and voted on the applications for eligibility as a Renewable Energy Resource submitted in the following dockets:

XIII. Docket No. 5158 – Manville Hill Road Solar LLC (Applicant) - The Applicant applied for eligibility of the Cumberland-Manville Hill Road generation unit, a 4.482 MW AC (5.75 MW DC) solar facility located in Cumberland, Rhode Island as a New Renewable Energy Resource. Chairman Gerwatowski moved to adopt the PUC consultant’s recommendation to approve the application as filed. Commissioner Anthony seconded the motion and the motion unanimously passed. **Vote 2-0.**

Docket No. 5159 – Patriot State Storage LLC (Applicant) - The Company applied for eligibility of the 204 Hartford Ave Solar generation unit, a 0.04 MW AC (0.05328 MW DC) solar facility located in Providence, Rhode Island as a New Renewable Energy Resource. Chairman Gerwatowski moved to adopt the PUC consultant’s recommendation to conditionally approved the application subject to the applicant filing documentation verifying commercial operation and assignment of NEPOOL GIS Id number. Commissioner Anthony seconded the motion and the motion unanimously passed. **Vote 2-0.**

Docket No. 5152 – Devonshire Energy LLC (Applicant) - The Applicant applied for eligibility of the FIDELITY02917SOLAR2640NM generation unit, a 2.64 MW AC (3.3 MW DC) solar facility located in Smithfield, Rhode Island as a New Renewable Energy Resource. Chairman Gerwatowski moved to adopt the PUC consultant’s recommendation to approve the application as filed. Commissioner Anthony seconded the motion and the motion unanimously passed. **Vote 2-0.**

Docket No. 4001 – New England Waste Management of NE- Pine (Applicant) – The Applicant filed notice that the Pinetree Landfill Generation Unit permanently ceased operations in January 2021 and requested to withdraw and decertify the facility as an eligible renewable energy resource facility in Rhode Island. Chairman

Gerwatowski moved to remove the Pinetree Landfill generation unit is removed from the list of eligible renewable energy resource without prejudice.

- XIV. There being no further business to discuss, the Open Meeting adjourned at 11:06 A.M.