

State of Rhode Island

Public Utilities Commission

Minutes of Open Meeting Held on October 28, 2022

An Open Meeting of the Public Utilities Commission (Commission or PUC) was held Friday, October 28, 2022 at 10:00 A.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, Patricia Lucarelli, John Harrington, Todd Bianco, Alan Nault 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** – After review, Chairman Gerwatowski moved the approve of Minutes of Open Meetings held on October 11, 2022 and May 19, 2022. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- III. **Docket No. 4978 – The Narragansett Electric Co. d/b/a Rhode Island Energy** –In this docket, the Commission approved Last Resort Rates to take effect October 1, 2022, The Commission also instructed RI Energy to apply Regional Greenhouse Gas Initiative (RGGI) auction proceeds to provide bill credit to customer in the A-60 rate class. On October 6, 2022, the Company submitted a compliance tariff filing to allocate the credit to the A-60 rate class. Chairman Gerwatowski asked for a motion to approve and Commissioner Anthony moved to approve the compliance filing. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**
- IV. **Renewable Energy Resource Eligibility Applications** – The Commission reviewed the applications submitted in the following dockets:

In the first seven applications below, the projects achieved commercial operation. PUC consultant recommended approval. After review, Chairman Gerwatowski moved to accept PUC consultant’s recommendation to approve. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- **Docket No. 22-21-RES – Blue Sky East LLC** – The Company applied for eligibility of the Bull Hill Wind generation unit, a 34.485 MW AC wind energy facility located in Hancock County, Maine as a New Renewable Energy Resource.
- **Docket No. 22-15-RES – North Kingstown Solar LLC** – The Company applied for eligibility of the North Kingstown Solar LLC generation unit, a 1.9 MW AC (2.766 MW DC) solar facility located in North Kingstown, Rhode Island as a New Renewable Energy Resource.

- **Docket No. 22-29-RES – Farm Fresh RI** – The Company applied for eligibility of the Farm Fresh Rhode Island generation unit, a 0.2038 MW AC (0.24915 MW DC) solar facility located in Providence, Rhode Island as a New Renewable Energy Resource.
- **Docket No. 22-24-RES – Parkview Exchange, LLC Bldg #1** – The Company applied for eligibility of the Parkview Exchange, LLC Bldg #1 generation unit, a 0.03350 MW AC (0.4250 MW DC) solar facility located in Pawtucket, Rhode Island as a New Renewable Energy Resource.
- **Docket No. 22-25-RES – Parkview Exchange, LLC Bldg #2** – The Company applied for eligibility of the Parkview Exchange, LLC Bldg #2 generation unit, a 0.5 MW AC (0.5355 MW DC) solar facility located in Pawtucket, Rhode Island as a New Renewable Energy Resource.
- **Docket No. 22-26-RES – Parkview Exchange, LLC Bldg #4** – The Company applied for eligibility of the Parkview Exchange, LLC Bldg #4 generation unit, a 0.0666 MW AC (0.0595 MW DC) solar facility located in Pawtucket, Rhode Island as a New Renewable Energy Resource.
- **Docket No. 22-31-RES – Parkview Exchange, LLC Bldg #6** – The Company applied for eligibility of the Parkview Exchange, LLC Bldg #6 generation unit, a 0.0333 MW AC (0.0425 MW DC) solar facility located in Pawtucket, Rhode Island as a New Renewable Energy Resource.

In the next three applications, the projects have not achieved commercial operations and PUC consultant recommended conditional approval. Chairman Gerwatowski moved to accept PUC consultant’s recommendation to conditionally approve. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- **Docket No. 22-17 -RES – Northern-Forest Four Seasons LLC** – The Company applied for eligibility of the Northern-Forest Four Seasons LLC, 29 Arthur Ave, Bldg 3 generation unit, a 0.05 MW AC (0.05695 MW DC) solar energy facility located in East Providence, Rhode Island as a New Renewable Energy Resource.
- **Docket No. 22-23 -RES – Northern-Forest Four Seasons LLC** – The Company applied for eligibility of the Northern-Forest Four Seasons LLC, 35 Arthur Ave, Bldg 4 generation unit, a 0.06 MW AC (0.08075 MW DC) solar energy facility located in East Providence, Rhode Island as a New Renewable Energy Resource.
- **Docket No. 22-28-RES – White Rock Road, LLC** – The Company applied for eligibility of the White Rock Road, LLC generation unit, a 6.474 MW AC (8.72 MW DC) solar facility located in Westerly, Rhode Island as a New Renewable Energy Resource

V. **The Narragansett Electric Co. d/b/a Rhode Island Energy**

Docket No. 22-13-NG – Distribution Adjustment Charge (DAC) Filing and Docket No. 22-20-NG – Gas Cost Recovery (GCR) Filing

The Commission discussed the rate changes proposed in these dockets. The rate changes are to take effect November 1, 2022. The DAC filing provides for the

funding and reconciliation of costs associated with the Company's identifiable specific programs. The GCR filing proposes customer-specific factors necessary for the company to recover the projected gas costs allocated to firm sales customers for the period November 1, 2021 through October 31, 2022.

The Chairman proposed to provide additional relief to the low income gas customers. He proposed two options. 1) a deferral of the customer \$14 month charge on bills during the months of January-March when the highest bill is incurred, this will be a deferral of approximately \$775,000. Or a deferral of four months which would be less than \$1 million. Either way, this could be provided to the low income class by zeroing out the \$14 charge or by having the company credit an accrual amount on those bills which zeros out the bill taking into account the discount. The amount of the discount to the low income customers does not create a material risk for next winter. It is a fixed amount and is not something that is going to fluctuate based on usage.

Commissioner Revens stated that he was comfortable with the three months deferral and found that is consistent with what the Commission approved on the electric side (in Docket No. 4978).

Commissioner Anthony noted that generally, the PUC does not make proposals on its own. We rely on the evidentiary record submitted and proposal by the parties. She does not oppose the Chairman's idea in concept but she is not sure that there is enough evidence on the record to make a thoughtful decision and does have the information she needs to make a vote. She does not feel comfortable to maintain consistency with our process or with her principles.

After discussion the following motions were made:

- (1) Chairman Gerwatowski moved that Company is ordered to reduce the \$14 customer charge to zero on each bill for the low-income rate classes Rate 11 and Rate 13 for the months of January, February, and March of 2023; provided, however, to the extent the Company's billing system cannot easily implement this directive in a timely manner, the Company may implement this as an equivalent uniform credit on the customer bills, adjusted for the effect of a low-income discount of 25%. The Company is authorized to record a regulatory asset to recover the amount of the credit in the 2023 distribution adjustment charge filing, in a manner to be determined by the Commission. Commissioner Revens seconded the motion. **Vote 2-0.** Commissioner Anthony abstained. She does not oppose the idea in concept but she does not have the evidence in the record to make an informed decision.
- (2) Chairman Gerwatowski moved to grant the Company's Motion for Confidential Treatment of the bid information and RFP recipient information in Record Request 2 and all of Attachment RR-2. (This is information regarding asset management arrangements) Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- (3) Chairman Gerwatowski moved that the factors reflected in the attached DAC/GCR Rates Table are approved, effective for usage on and after November

1, 2022. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- (4) The calculations of ratepayer savings and corresponding incentive reflected in the Gas Procurement Incentive Annual Report provided in Schedule EPM-2 in the GCR Docket relating to the period from April 1, 2021 through March 31, 2022, are approved.
- (5) Chairman Gerwatowski moved that the calculations of ratepayer savings and corresponding incentive reflected in the Natural Gas Portfolio Management Plan Annual Report provided in Schedule EPM-4 in the GCR Docket relating to the period from April 1, 2021 through March 31, 2022, are approved. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- (6) Chairman Gerwatowski moved to approve a BTU factor of 1.031. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- (7) Chairman Gerwatowski moved that The Narragansett Electric Company d/b/a Rhode Island Energy will continue to track variable costs incurred in meeting peak hour requirements and report those costs in the 2023 DAC and if significant, allocate them from the GCR reconciliation process and include them in the DAC reconciliation process. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

VI. There being no further business to discuss, the Chairman adjourned the Open Meeting at 10:30 A.M. A web video of the Open Meeting discussion can be accessed at <https://video.ibm.com/recorded/132235570>

DAC/GCR Proposed Rates Table -- Effective November 1, 2022

	(a) Description of Factor	(b) Rate	(c) Type of Charge	(d) Source
<i>Proposed DAC FACTORS (Docket No. 22-13-NG):</i>				
1	System Pressure Factor	\$0.1720	per therm	Sch. PRB-25
2	Environmental Response Cost Factor	\$0.0010	per therm	Sch. PRB-3, p. 1, Line 16
3	Pension & Post-Retirement Benefits Other than Pension Factor	\$0.0078	per therm	Sch. PRB-4, p. 1, Line 14
4	Arrearage Management Adjustment Factor	\$0.0002	per therm	Sch. PRB-5, p. 1, Line 4
5	Revenue Decoupling Factor	\$0.0273	per therm	Sch. PRB-6, p. 1, Line 8
6	Service Quality Performance Factor	(\$0.0016)	per therm	Sch. PRB-8
<i>DAC Reconciliation Factors:</i>				
7	Residential and Small/Medium C&I	\$0.0132	per therm	Sch. PRB-9S Line 17
8	Large and Extra-Large C&I	\$0.0121	per therm	Sch. PRB-9S Line 29
9	Revenue Decoupling	\$0.0000	per therm	Sch. PRB-9S Line 23
10	Earnings Sharing Mechanism Factor	\$0.0000	per therm	Sch. PRB-11
11	Low-Income Discount Recovery Factor	\$0.0234	per therm	Sch. PRB-12S Revised, p. 1, Line 3
12	Storm Net Revenue Factor	(\$0.0004)	per therm	Sch. PRB-13
<i>ISR Reconciliation Factors</i>				
14	Residential	(\$0.0146)	per therm	Sch. PRB-7S, p. 1, Line 3
15	Small	(\$0.0101)	per therm	Sch. PRB-7S, p. 1, Line 4
16	Medium	(\$0.0056)	per therm	Sch. PRB-7S, p. 1, Line 5
17	Large LL	(\$0.0093)	per therm	Sch. PRB-7S, p. 1, Line 6
18	Large HL	(\$0.0103)	per therm	Sch. PRB-7S, p. 1, Line 7
19	XL-LL	(\$0.0017)	per therm	Sch. PRB-7S, p. 1, Line 8
20	XL-HL	(\$0.0097)	per therm	Sch. PRB-7S, p. 1, Line 9
<i>Proposed GCR FACTORS (Docket No. 22-20-NG):</i>				
21	High Load Factor	\$0.6136	per therm	Sch. PRB-1 Revised, p. 1, Line 6(d)
22	Low Load Factor	\$0.6831	per therm	Sch. PRB-1 Revised, p. 1, Line 6(e)
<i>Gas Marketer Transportation Factors:</i>				
23	FT-2 Demand Rate	\$14.8234	per dekatherm	Sch. PRB-5 Revised, p. 2, Line 21
24	Storage and Peaking Charge	\$1.1691	per dekatherm	Sch. PRB-5 Revised, p. 3, Line 5