

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT ELECTRIC
COMPANY’S LAST RESORT SERVICE (LRS) DOCKET NO. 4978
PROCUREMENT PLAN**

**GEORGE WILEY CENTER COMMENTS ON
RHODE ISLAND ENERGY’S PROPOSAL TO RECOVER
DEFERRED CUSTOMER CHARGES**

The R.I. Center for Justice offers these comments on behalf of the George Wiley Center and low-income utility consumers regarding The Narragansett Electric Company d/b/a Rhode Island Energy’s (the “Company”) proposal to collect customer charges deferred during the six-month period beginning October 1, 2022.

I. Introduction

In order to mitigate the impact of unprecedented increases in the Winter Rates (Last Resort Service rates for residential and commercial electric customers for October 1, 2022 to March 31, 2023 the Public Utility Commission (“Commission”) authorized several offsets including arrearage forgiveness for low-income and protected customers provided as part of the Attorney General settlement with PPL, allocation of Regional Greenhouse Gas Initiative Funds, and deferral the Company’s customer charges for electric ratepayers.

This comment addresses the Commission’s instructions to the Company concerning recovery of the deferred customer charges:

To defer collection of the customer charge for all customers in the A-16, A 60, and C-06 rate classes for a six-month period beginning October 1, 2022. The Company is authorized to book a regulatory asset for the deferred charges applicable to each fiscal year for recovery at a later date in a manner and timeline approved by the Commission. The deferred charges shall accumulate interest at the customer deposit rate. The

Company is directed to file [] a proposal to recover the deferred charges. The Company is directed to consult with the parties in this docket before filing the proposal.¹

The Company Proposal for recovery of the deferred charges submitted pursuant to these instructions spreads the collection of the deferred customer charge over the six month period coinciding with the “summer rates” (April 1, 2023 to September 30, 2023) doubling the residential customer charge of \$6 for that six month period to \$12.² The Low Income Rate discounts for eligible customers apply to the total bill and would thus apply to the increased customer charge during the period.

II. The Wiley Center Requests Commission Adoption of the Attorney General’s Proposed Alteration to the Company’s Deferred Charge Recovery Proposal

There is general agreement among the parties that due to consistently higher rates in the winter, any recovery of deferred customer charges should be made during the summer months when rates are lower. It has also been acknowledged that customers may be subjected to the risk of more harmful increases during future winter rate periods if the deferred charges are not addressed and recovered during the relative respite of the summer months. The six month window from April 1, 2023 to September 30, 2023 presents several beneficial characteristics for this recoupment to have less harmful impact on customers when compared to other potential recoupment periods given the lower summer rates and lower energy consumption due to no significant heating costs. However the Attorney General further refined the analysis with his

¹ Open Meeting held on September 23, 2022

² Under the Company proposal the customer charger customers in the C-06 (Small Commercial and Industrial Rate) rate class, the customer charge would be \$20 for the six month recoupment period.

request for an examination by the Company of the impact of narrowing the customer charge recoupment period to coincide with the three months *within the “summer window”* that historically have the lowest usage charges (April, May and June). These three months consistently reflect lower electric consumption and thus lower bills than the remainder of the summer period (July, August and September).

In his Comment the Attorney General describes this more narrowly focused recovery strategy as follows:

[T]he Attorney General would suggest that the Commission consider approving collection of the Deferred Charges via equal payments during the three months when average bills are typically much lower: April, May, and June. In Attachment AG-2-1, the Company modeled the impacts of recovering the Deferred Customer Charges during that three-month period. AG-2-1 also accounts for expected supply rates and updated projections during this coming summer rate period. As the charts show, even if all of the deferred charges were collected from April through May, those months would remain the lowest electric bills for the average residential electric customer in both the A-16 and A-60 (low-income) rate classes.³

Based on the cited Company response to AG-2-1 it is clear that due to patterns of higher utility usage in the core summer months of July and August (most likely associated with cooling costs) the accelerated recovery of the customer charge during the first three months of the summer rate period (April, May and June) will provide the maximum protection for low income customers by avoiding adding customer charge recovery costs to the bills that will predictably be higher in July, August and September. As the Attorney General asserts, even if the entire recoupment is achieved during April, May and June of 2023, the average customer bill during

³ Attorney General’s Comments on Rhode Island Energy’s Proposal to Recover Deferred Customer Charges, March 10, 2023, p. 3

those three months will be lower than the bill for the preceding three months and for July, August and September. If the recoupment is spread over the entire six month period it will drive the July, August and September bills up in a way that can be avoided by employing the Attorney General's proposed revision to the Company's recovery proposal. For these reasons the George Wiley Center joins the Attorney General in requesting that the recoupment of the deferred customer charge be made in three equal installments during April, May and June 2023. The relevant low income discounts will be applied to the resulting bills and will thus reduce the temporarily increased customer charge for low-income customers by 25% or 30% depending on their income level.

III. Conclusion

The Attorney General's request for analysis and the Company's response in AG 2-1 establish that low-income consumers can be assisted to experience a rate-smoothing impact across the summer rate period (April to September 2023). The inquiry and response establish that by concentrating the recovery of the deferred customer charge in April, May and June customers will not experience further elevation of bills that will be more challenging to pay in July, August and September. For these reasons the George Wiley Center joins in requesting that the recovery be accomplished in April, May and June if the deferred customer charges are to be recovered

Respectfully submitted,
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Dated: March 10, 2023

CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of March 2023 this document was sent, via electronic mail to Luly Massaro, Clerk of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, RI 02888. In addition, electronic copies of the document were served via electronic mail on the service list for this Docket on this date.

/s/ Jennifer L. Wood