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April 26, 2023

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

**RE: D-22-18 - Application of The Narragansett Electric Company d/b/a Rhode Island Energy
Regarding Issuance of New Long-Term Debt
Settlement Agreement**

Dear Ms. Massaro:

Enclosed for filing is an original and four copies of an **executed** Settlement Agreement between Rhode Island Energy¹ and the Rhode Island Division of Public Utilities and Carriers Advocacy Section (“Division Advocacy Section”) relative to the Company’s Application to issue new long-term debt in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal line extending to the right.

Jennifer Brooks Hutchinson

Enclosure

cc: D-22-18 Service List
John Bell, Division
Gregory Schultz, Esq.

¹ The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy or the Company”).

2. The Company may enter into evidence of indebtedness for the New Long-term Debt on the terms set forth in the Company's Application, as modified by this Settlement Agreement.
3. The New Long-term Debt Issuances will be effected in one or more tranches with maturity dates each greater than one year but not to exceed 30 years from the date of issuance. Should the Company seek a maturity date greater than 30 years it shall provide information to the Division to demonstrate that the longer term is more beneficial to ratepayers.
4. The Company is authorized to issue the New Long-term Debt on either a secured or unsecured basis. The Company will inform the Division of any future New Long-Term Debt, including whether any such future New Long-Term Debt is secured or unsecured, as provided for in more detail in Paragraph 7, below.
5. The Company may make use of hedging instruments related to any of the authorized New Long-term Debt Issuances if deemed necessary and/or appropriate to address market risk or volatility, and such instruments shall be limited to cross currency swaps, interest rate swaps, Treasury locks, forward rate swaps and call provisions.
6. For accounting purposes, the Company and the Advocacy Section agree to the deferral and amortization of all the reasonable and prudent costs and expenses of the initial New Long-term Debt Issuance(s), including debt discount or premium over the life of this New Long-term Debt. The Advocacy Section recognizes that debt issuance costs, including hedging costs (or credits), and debt redemption expenses should be eligible for rate recovery to the extent such costs are reasonable, prudently-incurred and appropriately allocated to retail gas and electric utility service.
7. The Company's request for a waiver of the Division's Rules of Practice and Procedure 815-RICR-00-00-1.14(A)(1)(a)(2), (3), and (4) shall be granted and the Company shall provide the Division with a statement of the basic terms of each New Long-term Debt Issuance, a copy of the executed debt transaction documents, and the final actual underwriting costs within 45 days following the settlement of each such issuance.
8. Any Order by the Division approving these New Long-term Debt Issuance(s) shall not constitute the Division's concurrence with:
 - a. The Company's capital spending plan or actual capital expenditures;
 - b. The capital structure proposed by the Company in any pending or future rate proceeding or docket before the Rhode Island Public Utilities Commission ("RIPUC");
 - c. The value of any assets, tangible or intangible, owned or to be owned by the Company.

9. An Order by the Division approving this Settlement Agreement shall not constitute pre-approval of or concurrence by the Division of any specific amount of costs or expenses incurred by the Company for cost recovery or ratemaking purposes.
10. The Company retains an obligation to conduct its New Long-term Debt Issuances authorized in this docket at the lowest reasonable cost for the benefit of its ratepayers.
11. This Settlement Agreement shall not affect or limit in any way the position and/or authority of the Division or the RIPUC with respect to rates, services, financial policies, accounting or any other matter affecting the Company.
12. This Settlement Agreement does not alter the Company's obligation to use a prudent mix of capital to finance its utility operations and investments.
13. The Company's authority to issue up to \$1.2 Billion of New Long-term Debt commences with the issuance of a final, non-appealable written Order from the Division approving this Settlement Agreement and shall expire June 30, 2026.
14. All prior discussions and agreements with respect to the subject matter hereof are merged in this Settlement Agreement, which together with the Application, as modified herein, constitutes the entire agreement between the Parties as to its subject matter. This Settlement Agreement may not be amended, modified or terminated except by a written agreement signed by both Parties, which specifically references this Settlement Agreement. This Settlement Agreement is submitted on the condition that it be approved in its entirety by the Division after hearing, and on the further condition that if the Division does not approve this Settlement Agreement in its entirety, the settlement shall be deemed withdrawn and shall not constitute a part of the record in this proceeding or be used for any purpose, unless all Parties agree to Division modifications.
15. This Settlement Agreement may be signed in counterparts each of which shall be deemed an original and all of which together shall constitute one in the same document.

[Signatures appear on the following page.]

**The Narragansett Electric Company
d/b/a Rhode Island Electric**

By:  _____
David J. Bonenberger
President

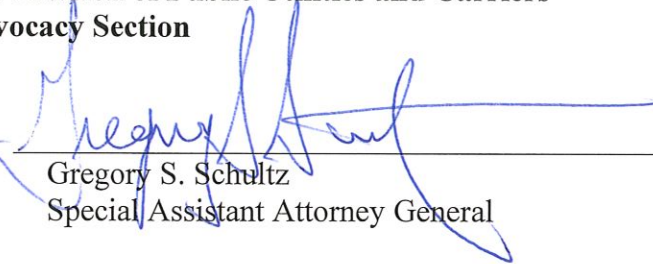
**The Division of Public Utilities and Carriers
Advocacy Section**

By: _____
Gregory S. Schultz
Special Assistant Attorney General

**The Narragansett Electric Company
d/b/a Rhode Island Electric**

By: _____
David J. Bonenberger
President

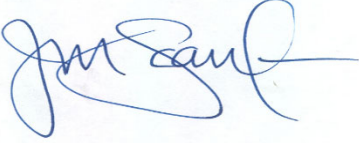
**The Division of Public Utilities and Carriers
Advocacy Section**

By:  _____
Gregory S. Schultz
Special Assistant Attorney General

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

April 26, 2023
Date

**Docket No. D-22-18 The Narragansett Electric Co. d/b/a Rhode Island Energy –
Application to Issue Long-Term Debt
Service List Updated 1/9/2023**

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