

**State of Rhode Island**

**Public Utilities Commission**

**Minutes of Open Meeting Held on June 22, 2023**

An Open Meeting of the Public Utilities Commission (Commission or PUC) was held Thursday, June 22, 2023 at 1:00 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, Emma Rodvien, Alan Nault, Christopher Caramello and Luly Massaro.

I. Commissioner Gerwatowski called the Open Meeting to order at 1:00 P.M. A quorum was present.

II. **Telecommunications Service Providers** – The following providers of telecommunications services have reported that they have no customers nor generated revenues and requested that their registration to conduct business be cancelled:

- Docket No. 2262(P17) - National Access Long Distance, Inc.
- Docket No. 2262(T17) – Business Network Long Distance, Inc.
- Docket No. 2262(L20) – Nationwide Long Distance Service, Inc.
- Docket No. 2262(N20) – Integrated Services, Inc.
- Docket No. 2262(R20) – Multiline Long Distance, Inc.

Commissioner Anthony moved to cancel the registration to conduct business of the above companies. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

III. **Docket No. 23-13-TL – DISH Wireless L.L.C. (Petitioner)** - DISH Wireless submitted a Petition for Designation as an Eligible Telecommunications Carrier (ETC) in the State of Rhode. The Petitioner seeks ETC designation solely to provide Lifeline service to qualifying Rhode Island consumers. The Division of Public Utilities (Division) filed comments summarizing its review and recommending that the Commission grant the petition. After consideration, Commissioner Anthony moved to grant the Petition. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

IV. **Applications for Eligibility as a Renewable Energy Resource:** The Commission reviewed the applications submitted by the following applicants. These facilities have not yet achieved commercial operation. PUC consultant recommended conditional approval of the applications.

- **Docket No. RES-23-10 – 50 Industrial Circle LLC** application for eligibility of the 50 Industrial Generation Unit, a 0.200 MW AC (0.249 MW DC) solar energy facility located in Lincoln, Rhode Island.

- **Docket No. RES-23-03 – Blackstone River Holdings, LLC (Company)-**  
The Company submitted an application for eligibility of the Albion Hydro LLC generation unit, a 0.520 MW AC small hydro facility located in Cumberland, Rhode Island.

After review, Commissioner Anthony moved to accept PUC consultant's recommendation to conditionally approved the applications. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- V. **Docket No. 23-15-EE – Block Island Utility District** – The Block Island Utility District submitted its Demand Side Management (DSM) Plan for year 2023. The plan includes a budget to implement energy efficiency programs for its customers. BIUD seeks no funding for calendar year 2023. The Division submitted comments and recommendations regarding the utility's DSM Plan. After review and discussion, Commissioner Anthony moved to approve the Block Island Utility District's Demand Side Management for 2023, budget and the DSM charge of \$0.00 per kWh effective June 1, 2023. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- VI. **Docket No. 22-45-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy (Company)** – On May 15, 2023, the Company submitted proposed Long-Term Contracting (LTC) for Renewable Energy Recovery factor for the period July 1, 2023 through December 31, 2023. The Company proposes a LTC recovery factor of \$0.00660 per kWh. The Division submitted a position memorandum finding the LTC recovery factor filing calculations are correct, are in accordance with the LTC for Renewable Energy Recovery provision and recommended approval of the Company's proposed LTC recovery factor for effect July 1, 2023.

The Chairman noted two issues to consider. The LTC Recovery Factor and changing the LTC to an annual filing. He summarized that this tariff was originally put in place to be filed twice a year. Currently, during the wintertime, renewable projects are performing better against the market price because the winter prices are high in the winter. Then during the summer, pricing reverses. There is volatility between the two six-month periods. He suggested that it would be worthwhile to ask the Company to propose a tariff to change the LTC to an annual factor. After discussion, the following motions were deliberated:

- Commissioner Anthony moved to approve the proposed Long-Term Contracting for Renewable Energy Recovery factor \$0.00660 per kWh effective July 1, 2023. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Gerwatowski moved to direct Rhode Island to file a new tariff for consideration, that would change the Long-Term Contracting for Renewable Energy Recovery Factor from a semi-annual factor to an annual factor. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- VII. Docket No. 23-01-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy** –The Company submitted proposed base Last Resort Service Rates (LRS) for the Industrial Group for the period July 1, 2023 through September 30, 2023. The proposed rates are submitted pursuant to the Company’s Last Resort Service Procurement Plan approved by the PUC in this docket on March 13, 2023. The filing included a motion for protective treatment from public disclosure of attachments referred to as “Confidential LRS Procurement Records.” The Division filed a memorandum finding the proposed LRS rates are correctly calculated, that the power supply procurements undertaken by the Company in this reporting period comply with the PUC approved procurement plan, and recommended approval of the LRS rates. After review, the following motions were deliberated:
- Commissioner Anthony moved to grant the Company’s motion for protective treatment. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**
  - Commissioner Anthony moved to approve the proposed LRS rates for the Industrial Group for the period July 1, 2023 through September 30, 2023. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- VIII. Docket No. 23-16-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy** - The Company submitted its annual Revenue Decoupling Mechanism (RDM) reconciliation filing for the 12-month period ending March 31, 2023 and proposed RDM Adjustment Factor of \$0.00076/kWh for effect July 1, 2023. The Division filed a memorandum finding the Company correctly calculated the proposed RDM adjustment factor and recommended approval. After discussion, Chairman Gerwatowski moved to approve the proposed RDM Adjustment Factor of \$0.00076/kWh. Commissioner Anthony seconded the motion and motion was unanimously passed. **Vote 3-0.**
- IX. Docket No. 23-17-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy** – The Company submitted a proposed Arrearage Management Adjustment (AMAF) Factor of \$0.00005/kWh and a proposed Low-Income Discount Recovery (LIDRF) Factor of \$0.00262/kWh, both of which are covered by the Company’s Residential Assistance Provision (RAP). The effective date of the proposed factors is July 1, 2023. The Division filed a memorandum reviewing the proposed factors and recommend approval. The George Wiley Center filed a motion to intervene. There being no objection received, the George Wiley Center’s motion to intervene was deemed effective. After discussion, Chairman Gerwatowski moved to approve the proposed Arrearage Management Adjustment Factor of \$0.00005/kWh and Low-Income Discount Recovery Factor of \$0.00262/kWh applicable to all electric customers effective July 1, 2023. Commissioner Anthony seconded the motion and motion was unanimously passed. **Vote 3-0.**
- X. Docket No. 22-49-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy** - This docket relates to Rhode Island Energy’s proposed Advanced

Metering Functionality (AMF) Business Case program proposal. The Commission discussed various issues raised by the filing. No votes were taken.

Commissioner Anthony discussed her observations about three components of the filing, including the BCA (value case), the needs case, and accountability. She noted that the Division had called into question two benefit areas, the electric bill reduction from energy insights, and faster outage notification. She also noted that the value of the remaining benefits were dependent on real load forecasts materializing.

While the record is still developing over the BCA, she opined that based on the filings in the record and technical sessions, she is concerned that the range and magnitude of benefits from the proposal is much smaller than it was originally presented by the company. Given that the net value from the AMF investment may be small to none, she would be looking for a very strong needs case.

The need as presented in the filing thus far also caused some concern. In particular, it was unclear that the timing of the need matches the timing of investment. There is always a need for metering and billing and the proposed meters can provide that. However, neither the Company nor the Division had adequately explained to Commissioner Anthony how the granularity of data, combined with the speed to bring the data back to the Company from the meters would provide significant incremental value to either the Company planning processes or retail customers. She was also seeking clarity of whether the AMF investment was necessary in light of the grid modernization proposals.

Commissioner Anthony expressed concern that because of the issues raised by the Division, the information already in the record, that without a strong value or needs case, there is a risk the ratepayers are going to be left paying for a gold plated system. For that reason, holding the utility accountable to providing the deliverables and benefits from the investments that they have asserted will be critical to her decision-making. To date, the record is lacking sufficient information upon which to structure a real accountability plan.

Commissioner Revens reserved his comments until we get to the hearings.

Chairman Gerwatowski discussed his thoughts on the ratemaking and cost recovery issues of the Company's proposal. There are three categories that relate to ratemaking accounting issues:

First, with respect to the meter data management system (MDMS), the Company has not yet explained how its allocation of costs between the category referred as the transition service agreement (TSA) exit and AMF is reasonable. There are activities that are taking place that relates to both building systems so that RI Energy can exit from relying on National Grid systems. The Company has agreed with the Attorney General to absorb all TSA costs. Therefore, he is concerned with TSA costs leaking into the AMF and therefore getting recovery for things

they should not be getting recovery for because the service was part of the transaction.

The second category is related to recovery of O&M costs. First, the Company is seeking to recovery O&M costs outside of a rate case. It is unclear that this is appropriate where the Company did not seek a reopener under the Multi-Year Rate Plan; did not file a base distribution rate; and agreed with the Attorney General not to increase base distribution rates for a period of time. Second, it will be important to review software as a service (SAAS) to ensure capital and O&M costs are properly categorized and accounted for.

The third category relates to the question when is something properly put into rate base? As with the categorization of O&M and the timing of O&M recovery, it will be critical to understand how the Company is proposing to include capital investment in rate base. It will be critical to ensure the Company is following Rhode Island's ratemaking principles of not including capital in rate base until it is "used and useful."

- XI. There being no further discuss, the Chairman adjourned the Open Meeting adjourned at 2:00 P.M. A web video of the Open Meeting discussion can be accessed at <https://video.ibm.com/recorded/132862732>.