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March 28, 2024

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**Re: *Docket No. 22-47-WW- The Narragansett Bay Commission
General Rate Filing***

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the following:

1. The Narragansett Bay Commission's Motion To Reopen Proceedings And For Miscellaneous Relief.

Please note that an electronic copy of this document has been provided to the service list.
Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

cc: Docket 22-47-WW Service List (*via electronic mail*)

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT BAY COMMISSION
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO. 22-47-WW

**THE NARRAGANSETT BAY COMMISSIONS'S MOTION TO REOPEN PROCEEDINGS AND FOR
MISCELLANEOUS RELIEF**

I. INTRODUCTION

Now comes the Narragansett Bay Commission ("NBC") and files this Motion To Reopen Proceedings Pursuant to Rule 1.27 of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission ("Commission") and for Miscellaneous Relief. In particular, NBC seeks three new modifications to the settlement approved by the Commission in this Docket.

II. PROCEDURAL HISTORY

1. On November 4, 2022, NBC filed an application for a rate increase with the Commission.
2. On June 14, 2023, NBC and the Division of Public Utilities and Carriers filed a Settlement Agreement with the Commission.
3. At a July 24, 2023 Open Meeting, the Commission conditionally approved the Settlement Agreement, subject to three modifications made at the Open Meeting, and directed NBC to submit a compliance filing by July 26, 2023.
4. NBC submitted its compliance filing on July 26, 2023, and the Commission approved the compliance filing at an Open Meeting on July 27, 2023.
5. As of this date, the Commission has not issued a written order.

III. REQUEST FOR RELIEF

As set forth in the written testimony of Karen L. Giebink, NBC's Chief Financial Officer, NBC seeks three new modifications to the settlement approved by the Commission at the July 24, 2023 Open Meeting, which are as follows:

1. Reserve Operation and Maintenance Reserve (OMR) Fund Accounts – Paragraphs 17, 18

and 21 of the Settlement Agreement established an OMR fund to address unpredictability associated with electricity costs. The Settlement Agreement called for NBC to fund this account with \$2.0 million to mitigate risks associated with fluctuations in the following electricity and renewable energy related accounts:

- a. 54090 Electricity
- b. 54091 NBC Net Metering Credit
- c. 54092 FP Turbines
- d. 54093 Coventry Wind
- e. 54095 Green PPA
- f. 54096 Green PPA Net Metering Credits
- g. 54097 Biogas

At the end of fiscal year, NBC was to perform a “true-up” of actual expenditures as compared to the approved cost of service for each line item.

Following the completion of proceedings in this Docket, NBC’s engineers began examining whether the biogas cogeneration facility could be run on 100% natural gas. If this is achievable, it could reduce electricity purchases by as much as \$700K, but likely double the natural gas expense, which is currently set at \$409,137 annually. As such, NBC would like to add Account 54060 – Gas (\$409,137) to the accounts set forth in paragraph 17 of the Settlement Agreement, which comprise the Reserve OMR Fund. This will allow NBC to balance out any increase in natural gas expense and any reduction in electricity expense through the true up mechanism set forth in the Settlement Agreement.

2. Lien Recording Fees – As set forth on page 26 of David Fox’s Direct Testimony, NBC requested a change to its Terms and Conditions that would add fees for the recording of Notices and Releases of Liens. This change would simply allow NBC to recover actual statutorily mandated costs incurred when recording such documents. As this proposal was not addressed in the Settlement Agreement, NBC seeks permission to add these fees to its Terms and Conditions.

3. Annual Pension Report – On page 10 of James McCaughey’s Direct Testimony, NBC proposed to eliminate the Annual Pension Report as required by Docket 3651 in 2007 because NBC’s Annual Comprehensive Financial Report, which is provided to the Commission each year, includes retirement and post-retirement benefit information for NBC’s union and non-union employees. In the alternative, NBC stated that it could submit copies of the annual actuarial report and Non-Union Defined Benefit Financial Report if the Commission still found additional information in the Annual Pension Report useful. NBC neglected to address this request in the Settlement Agreement, or at the hearing to approve the Settlement Agreement, and would like to rectify that oversight by having the Commission rule on this issue.

IV. CONCLUSION

WHEREFORE, for the reasons set forth hereinabove, the Narragansett Bay Commission prays that the Rhode Island Public Utilities Commission grant the relief sought herein.

The Narragansett Bay Commission,
By its attorney,



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CERTIFICATION

I hereby certify that on March 28, 2024, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone
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Original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
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**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT BAY COMMISSION
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO. 22-47-WW

**TESTIMONY OF KAREN L. GIEBINK
CHIEF FINANCIAL OFFICER
NARRAGANSETT BAY COMMISSION
IN SUPPORT OF THE NARRAGANSETT BAY COMMISSIONS'S
MOTION TO REOPEN PROCEEDINGS AND FOR MISCELLANEOUS RELIEF**

DOCKET No. 22-47-WW

MARCH 28, 2024

1 **NARRAGANSETT BAY COMMISSION**

2 **PRE-FILED TESTIMONY OF KAREN L. GIEBINK**

3 **IN SUPPORT OF THE NARRAGANSETT BAY COMMISSION'S MOTION TO REOPEN**

4 **PROCEEDINGS AND FOR MISCELLANEOUS RELIEF**

5
6 **Q. Please state your name and address.**

7 A. Karen L. Giebink. My business address is the Narragansett Bay Commission, One Service
8 Road, Providence, Rhode Island 02905.

9
10 **Q. By whom are you employed and what is your position?**

11 A. I am employed by the Narragansett Bay Commission ("NBC") as its Chief Financial Officer.
12

13 **Q. For how long have you been employed?**

14 A. I have been employed as NBC's Chief Financial Officer since July 2018. Prior to that date,
15 I served as NBC's Director of Administration and Finance beginning in April 1997. I began
16 my employment with NBC in 1989 and have held the positions of Policy Associate and
17 Senior Environmental Planner. In the three years prior to my employment with the NBC,
18 I worked as an analyst for the City of San Diego Water Utilities Department.
19

20 **Q. What is the purpose of your testimony?**

21 A. To support NBC's Motion To Reopen Proceedings And For Miscellaneous Relief.
22

23 **Q. Can you please provide a brief overview of the procedural history in this Docket?**

24 A. Yes. The relevant procedural history is as follows:
25

- 26 1. On November 4, 2022, NBC filed an application for a rate increase with the Rhode
27 Island Public Utilities Commission ("Commission" or "PUC").
- 28 2. On June 14, 2023, NBC and the Division of Public Utilities and Carriers ("Division")
29 filed a Settlement Agreement with the Commission.
30
31

- 1 3. At a July 24, 2023 Open Meeting, the Commission conditionally approved the
2 Settlement Agreement, subject to three modifications made at the Open Meeting,
3 and directed NBC to submit a compliance filing by July 26, 2023.
4
5 4. NBC submitted its compliance filing on July 26, 2023, and the Commission
6 approved the compliance filing at an Open Meeting on July 27, 2023.
7
8 5. As of this date, the Commission has not issued a written order.
9

10 **Q. What is the relief NBC is seeking?**

- 11 A. NBC is requesting that the Commission make three modifications to the settlement it
12 reached with the Division in addition to the modifications made at the July 24, 2023 Open
13 Meeting. These modifications will not have any affect on NBC’s July 26, 2023 compliance
14 filing, which the Commission approved on July 27, 2023.
15

16 **Q. What is the first modification sought by NBC?**

- 17 A. The primary modification NBC seeks is related to the Operation and Maintenance Reserve
18 (OMR) Fund. Paragraphs 17, 18 and 21 of the Settlement Agreement established an OMR
19 Fund to address unpredictability associated with electricity costs. The Settlement
20 Agreement called for NBC to fund this account with a \$2.0 million transfer from the
21 Stabilization Account in the Debt Service Fund to mitigate risks associated with
22 fluctuations in the following electricity and renewable energy related accounts:

- 23 a. 54090 Electricity
24 b. 54091 NBC Net Metering Credit
25 c. 54092 FP Turbines
26 d. 54093 Coventry Wind
27 e. 54095 Green PPA
28 f. 54096 Green PPA Net Metering Credits
29 g. 54097 Biogas
30

31 The Settlement Agreement further provided that the OMR Fund would be used as
32 follows:

- 1 • During the fiscal year, NBC will prepare an internal monthly budget versus actual
2 report for the expense line items listed above that will compare the PUC approved
3 cost of service amounts for these accounts to the actual costs.
- 4 • If, during the fiscal year, the actual monthly costs are more than \$200,000 higher
5 than the prorated approved Cost of Service (“COS”), NBC shall transfer the
6 necessary amount from the OMR Fund to the Operation and Maintenance Fund
7 to pay the expenses for these line items and will provide notice to the PUC of the
8 transfer. NBC chose the monthly amount of \$200,000 so that it would not have to
9 make monthly transfers for small amounts, as these amounts can be trued up at
10 the end of the year.
- 11 • If the actual costs are less than the approved COS, no action is required.
- 12 • At fiscal year-end, NBC will compare the audited figures for the line items listed
13 above to the approved cost of service and provide a report to the PUC.
- 14 • If the actual costs are less than the approved cost of service, NBC will transfer this
15 amount from the Operation and Maintenance Fund into the Stabilization Account
16 prior to the end of the year transfer from the Stabilization Account to the
17 Operating Capital Accounts to fund budgeted operating capital and pay-go capital.
- 18 • If the actual costs are more than the approved COS, NBC would transfer this
19 amount, less any transfers during the year, from the OMR Fund to the Operation
20 and Maintenance Fund.

21
22 Following the completion of proceedings in this Docket, NBC’s engineers began examining
23 whether the biogas cogeneration facility should be run on 100% natural gas. This would
24 protect the engine while improvements to the facilities are implemented that will enable
25 the operation of the cogeneration facility on digester gas. If this is achievable, it could
26 reduce electricity purchases by as much as \$700K, but likely double the natural gas
27 expense, which is currently set at \$409,137 annually. As such, NBC would like to add
28 Account 54060 – Gas (\$409,137) to the accounts set forth in paragraph 17 of the
29 Settlement Agreement, which comprise the OMR Fund. This will allow NBC to balance out

any increase in natural gas expense and any reduction in electricity expense through the true up mechanism set forth in the Settlement Agreement. If this request is approved, the following accounts would be included in the OMR Fund:

**OMR FUND - Eligible Accounts
Approved Cost of Service**

Account Name	Account Number	Included Accounts	Additional Account	All Accounts in OMR Fund
Electricity	54090	\$ 5,860,372		\$ 5,860,372
NBC Net Metering Credit	54091	(1,891,888)		(1,891,888)
FP Turbines	54092	268,490		268,490
Coventry Wind	54093	244,645		244,645
Green PPA	54095	2,478,150		2,478,150
Green PPA Net Metering Credits	54096	(3,304,199)		(3,304,199)
Biogas	54097	1,700		1,700
Natural Gas	54060		409,137	409,137
Total		\$ 3,657,270	\$ 409,137	\$ 4,066,407

Q. Will the addition of this account to the OMR Fund increase NBC’s Cost of Service as set forth in NBC’s compliance filing in this Docket?

A. No.

Q. What other modifications does NBC seek?

A. When we began examining the Settlement Agreement regarding the proposed change to the OMR Fund, we realized that two issues raised in our direct testimony were not addressed in the Settlement Agreement. These two issues are: (1) NBC’s request for lien recording fees; and, (2) NBC’s proposal to eliminate the Annual Pension Report as required by Docket 3651 in 2007.

Q. What relief does NBC seek regarding the lien recording fees?

A. As set forth on page 26 of David Fox’s Direct Testimony, NBC requested a change to its Terms and Conditions that would add fees for the recording of Notices and Releases of

1 Liens. This change would simply allow NBC to recover actual statutorily mandated costs
2 incurred when recording such documents. As this proposal was not addressed in the
3 Settlement Agreement, NBC would like permission to include these fees in its Terms and
4 Conditions.

5
6 **Q. What relief does NBC seek regarding the Annual Pension Report?**

7 A. On page 10 of James McCaughey's Direct Testimony, NBC proposed to eliminate the
8 Annual Pension Report as required by Docket 3651 in 2007 because NBC's Annual
9 Comprehensive Financial Report, which is provided to the Commission each year, includes
10 retirement and post-retirement benefit information for NBC's union and non-union
11 employees. In the alternative, NBC stated that it could submit copies of the annual
12 actuarial report and Non-Union Defined Benefit Financial Report if the Commission still
13 found additional information in the Annual Pension Report useful. Again, NBC neglected
14 to address this request in the Settlement Agreement, or at the hearing to approve the
15 Settlement Agreement, and would like to rectify that oversight by having the Commission
16 rule on this issue.

17
18 **Q. Does this conclude your testimony?**

19 A. Yes.

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT BAY COMMISSION
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO. 22-47-WW

AFFIDAVIT OF KAREN L. GIEBINK

I, Karen L. Giebink, upon oath do hereby depose and state as follows:

1. I submitted pre-filed written testimony in support of the Narragansett Bay Commission's Motion To Reopen Proceedings And For Miscellaneous Relief in the above-captioned matter.

2. I reviewed my pre-filed written testimony and there are no changes or corrections that need to be made.

3. My pre-filed written testimony is accurate and truthful, and I hereby adopt my pre-filed written testimony under oath as my sworn testimony in the above-captioned matter.

Signed under the pains and penalties of perjury this 28th day of March, 2024.



Karen L. Giebink