NOW COMES Peter F. Neronha, Attorney General of the State of Rhode Island (“Attorney General”), and hereby provides the following memorandum outlining his position with respect the above-captioned docket.

I. Customers are faced with unprecedented rate hikes and it is the duty of the parties and the Commission to consider all available options to help.

Rhode Islanders are facing a potentially dramatic increase in Last Resort Service ("LRS") rates driven by external market factors, primarily the increase in the price of natural gas. Natural gas is the main generation source in the ISO-New England regional market and, because it is the source through which supply can be delivered at times of peak demand, natural gas prices often determine wholesale electric prices. See e.g. Olivera and Ruebenacker Testimony at 17; see also Dalton Testimony at 9. Moreover, demand for natural gas in the region rises in the winter, because a large portion of New England’s heating sector also relies on natural gas as a fuel source. Id. As Rhode Island moves toward a 100% renewable energy standard by 2033, R.I. Gen. Laws § 39-26-4, and other New England states follow, the regional transition to greener energy should reduce dependence on natural gas and ultimately lead to lower, more stable electricity prices.¹

The regional natural gas sector is currently faced with pipeline constraints, shortages due to the war in the Ukraine, retirement of coal plants, colder winter weather forecasts, and continued impacts from the Covid-19 pandemic. See e.g. Hibbard Testimony at 20. All of these factors drive up prices. Moreover, fossil fuel companies continue to benefit from their deceit and profit-taking abuse of our environment, leaving consumers to absorb the shock as energy markets become constrained and the costs of transitioning to a clean energy economy must be borne in a much shorter time period than was necessary (given fossil fuel company knowledge) or is advisable. These factors are affecting energy customers throughout New England, and consumers in Massachusetts and New Hampshire are facing even higher rates than those proposed by Rhode Island Energy (“RIE” or the “Company”). See Dalton Testimony at 8, Figure 1. As noted by OER through its Direct Testimony, New Hampshire’s Governor is currently seeking a legislative grant of $60 million to offset the state’s increases. Dalton Testimony at 8.

The LRS rates being considered in this docket are pass-through supply costs that reflect these myriad economic hurdles. Although the utility, RIE, is not permitted to profit on supply, Rhode Islanders must nevertheless face increased bills each month. These market conditions hit at a tough time for Rhode Island consumers, whose household budgets have been upended by inflation in gasoline, food, and other essential consumer goods. While the pace of inflation does

\[2\] “In the first three months of 2022, ExxonMobil pocketed $5.5 billion after taxes; Chevron gained $6.3 billion; and ConocoPhillips made $5.8 billion. Smaller energy producers, which are concentrated in the U.S. and often referred to as wildcatters, are also profiting enormously. Last week, Pioneer Natural Resources reported first-quarter earnings of two billion dollars, and Marathon Oil reported revenues of $1.3 billion.” John Cassidy, “As Gas Prices Reach New Highs, Oil Companies Are Profiteering,” The New Yorker (May 11, 2022), https://www.newyorker.com/news/our-columnists/as-gas-prices-reach-new-highs-oil-companies-are-profiteering.

appear to be slowing, *id.*, it is not yet in decline and these major pocketbook items have created substantial budget challenges for Rhode Island households seeking to keep the lights on and food on the table.

Each year, Rhode Island faces two separate rate periods, one running from April through September, and the other from October through March. Electric supply costs are higher in the winter months, and therefore the per kWh price of electricity in Rhode Island is - and generally will be - higher during the October through March rate period. This method of having seasonally adjusted rates has worked well in Rhode Island, and Rhode Island’s Procurement Plan, as already approved by the Commission, has resulted in lower rates than its neighbors (including utilities in Massachusetts and New Hampshire) for the upcoming rate period. *See Dalton Testimony* at 8, Figure 1.

Part of the anticipated shock stemming from the approval of LRS rates in this docket is the same adjustment that Rhode Islanders must face annually as electricity rates transition from summer rates to winter rates. The much-talked-about 46.7% ($51.95) increase measures from today’s rates to the proposed winter rates, and therefore includes this annual transition. That number is less helpful than a comparison from winter to winter. Last year’s October through March residential rate was approximately 28.5% lower than the rate expected this coming winter. While that is still an unacceptable increase for citizens facing widespread inflation and still suffering the consequences of the Covid 19 pandemic, it is important to look at the problem in context. For the average 500kWh residential customer, the electric bill stands to increase by 28.5% (or $35.99 per month) when compared with last winter. *See July 21, 2022 Proposal* at 2. Of course, the typical Rhode Island household does not use a static 500kWh per month, and a more helpful comparison may be what someone using the 5-year average use for the particular month
may pay. RIE has recently provided a bill impact analysis based on the contemplated winter rate and a comparison with a $0.093 estimated summer rate, which they have indicated they will be providing as an exhibit at the September 16, 2022 hearings. According to RIE, that hypothetical average customer in the residential (not low-income) rate class would face winter highs of $209.44 in January (removing the impact of a bill credit applied in that month from RIE’s analysis) and summer highs of $193.27 in August. The summer bills remain high despite the rate decrease because the average residential customer uses much more electricity in the summer than the winter. None of these increases are by any means a small cost to ratepayers, and we must do anything possible to responsibly alleviate the strain this will undoubtedly place on many households.

The Commission must consider any and all options available during this difficult time for Rhode Island consumers to ensure that least-cost procurement principals are followed and LRS is “optimally cost-effective, reliable, prudent, and environmentally responsible.” R.I. Gen. Laws § 39-1-27.7. This requires careful weighing of both the pros and the cons of potential forms of relief.

II. The Winter Rate Increase Is Mitigated by the Attorney General’s Prior Protection of Consumers.

As a result of the settlement agreement entered into between PPL Corporation, PPL Rhode Island Holdings, LLC and the Rhode Island Attorney General in a settlement agreement dated May 19, 2022 (the “Settlement Agreement”), the Attorney General secured $32.5 million in rate credits for Rhode Island electric customers. Upon Commission approval, $63.72 will be credited to each Rhode Island Energy electric distribution customer.4 It is yet to be determined whether the credit will be appear in a one-time payment or spread out over multiple payments, but assuming it is received during the winter rate period this offsets $10.62 of the increased costs for each of the six

4 An additional $17.5 million credit was also secured for gas customers, which is also pending Commission approval for disbursement.
months in this rate period. For the average 500 kWh residential customer, this effectively reduces the increase by almost 30% - taking the monthly $35.99 increase to $25.37. For the low-income ratepayers (who pay a reduced rate), the settlement rate credits will have an even greater impact in reducing the increased cost of energy this winter when compared to last.

It should also be noted that but for the action by the Attorney General on the distribution side of the energy cost equation earlier this year, the difficult situation Rhode Island ratepayers are already facing would have been significantly worse. Among other things, as a result of the Settlement Agreement, Rhode Island Energy cannot seek recovery from ratepayers of some $100 million in transition costs and prior spending on no longer useful projects, cost recoveries which the DPUC Hearing Officer’s decision appealed by the Attorney General in Providence County Superior Court would have allowed. Additionally, the Company cannot bring a new rate case seeking higher distribution rates for at least three years from the date of the closing. Thus, Rhode Island customers will not pay a penny more for distribution of energy during this period of increased energy supply costs.

Low-income and protected ratepayers will also be receiving $43.5 million dollars in relief via forgiveness of arrearages. This will help lower the burden of amounts previously owed, helping Rhode Islanders recover and pay their bills on time going forward. Moreover, those who have been able to keep current on their bills will not be subsidizing this relief in the future, again saving Rhode Islanders money in the long run. Forgiveness of arrearages will also help some customers to become eligible for budget billing plans. These plans, discussed further below, allow eligible customers to receive bills tailored to their average use and billing to help smooth out the highs and lows of their yearly bills.
III. The Governor’s suggestion to allocate nearly $3.9 million in RGGI funds would bring needed additional relief to the most vulnerable.

The Governor has suggested allocating $3,858,150 of Regional Greenhouse Gas Initiative (“RGGI”) funds to provide relief for low-income ratepayers. The RGGI is a cooperative effort between several east coast states, including Rhode Island, and includes a cap-and-trade system designed to reduce CO₂ emissions from the energy sector.⁵ Pursuant to R.I. Gen. Laws § 23-82-6(4), RGGI funds can be used for, among other things, “direct rate relief for low-income consumers.” If OER disburses these RGGI funds to directly credit low-income utility bills, it will provide $104.84 in relief per eligible customer. See Response to PUC 6-1(a), Exhibit A attached hereto. This is consistent with the purpose of the funds and will assist low-income ratepayers who will be particularly hard hit by this drastic increase in an essential service and who need this help the most. When combined with the relief the Attorney General has secured for all consumers, low-income consumers will not see an appreciable difference in winter electric bills this year. The Commission should approve this measure to protect low-income consumers.

IV. Deferral of some supply costs should be carefully considered, and the Company should be required to better implement its billing system in a way that allows for customer choice.

One option that the Commission has considered and employed in the past is deferral of a certain portion of supply charges from an abnormally-high rate period to the next rate period. The Governor, in his letters concerning this docket, has asked that the Commission defer some amount of the increased supply costs. Deferring a portion of the increase from winter to summer months could help spread the shock of the increase and allow Rhode Islanders to manage their household

expenses in a more predictable way. Predictability and the opportunity to save for anticipated future expenses are good for consumers faced with balancing many competing demands on a monthly budget. At the same time, a deferral could create higher bills in periods of high electric use, such as the months of July and August when some customers rely on air conditioning. Additionally, RIE and other parties have raised administrative hurdles related to a deferral option. The Commission must consider these factors in balancing whether a deferral option is appropriate and in the public interest.

The administrative hurdle referenced above relates to a new program that may save Rhode Islanders money in the long-term, called municipal aggregation. R.I. Gen. Laws § 39-3-1.2. Municipal aggregation is a method whereby municipalities can procure electric supply for their own customers and businesses, and potentially achieve lower rates than the LRS. Seven Rhode Island towns and cities have elected to participate in municipal aggregation programs and it appears that these programs may make their first purchases in the spring. As a result, consumers that do not opt-out of the aggregation plan may potentially leave the LRS in the April-September rate period. As of June 2022, 93% of residential supply service is provided through the LRS. Division of Public Utilities’ Position Memorandum (“Division Memo”) at 5. However, if aggregators were able to secure rates lower than the LRS, a potentially significant number of consumers might leave LRS. As noted in the Division Memo, the Company’s Last Resort Service Adjustment Provision is the traditional mechanism allowing the Company to recover deficiencies between LRS revenues and expenses (such as might exist if there is a deferral of supply costs). Division Memo at 7. The Last Resort Service Adjustment Provision generally allows for collection

6 Barrington, Central Falls, Narragansett, Newport, Portsmouth, Providence, and South Kingstown.
only from LRS customers. *Id.* Therefore, if customers (such as those in communities with aggregation plans) transition off LRS, this mechanism would not allow for fair collection of the deferred costs.

Accordingly, to the extent the Commission approves any deferral, it should consider ways to ensure that current LRS customers remain responsible for the amount of the deferral benefits they receive using its available discretion to approve special tariff conditions, rates, and adjustment factors in the LRS context. R.I. Gen. Laws § 39-1-27.3. One option would be to allow customers to opt-in to a deferral rate and require any customers who do so to make a term commitment to LRS service. *Id.* Or, the Commission could approve a tracking mechanism based on individual use during the period when rates are deferred. For instance, if the Commission approves a 10% deferral for residential ratepayers, and Customer A benefits from $24 being deferred from October through March, that $24 should be charged back to Customer A via a $6 recovery each month from April through September. Especially in light of the fact repayment would not occur until April, the Company should be able to track individual usage and implement a mechanism that would ensure recovery regardless of future service provider to ensure fairness in impacts to consumers. The Attorney General would urge the Commission to ensure customers are informed of the potential impacts of deferral to their bills in the summer months and allow residential customers to opt-in to these deferral mechanisms so that customers could choose whether the deferral option is right for their family.

The Company has taken the position that it is entitled to collect carrying costs in the form of 1.45% interest on deferred costs, an amount that is of negligible materiality in the context of a short-term deferral of 10% of the increase for residential customers. The Commission should disallow any such collection of interest on deferrals in light of this unprecedented situation and the
difficulties faced by customers. In 2015, National Grid did not receive interest in amounts deferred and paid back to the company within the next six months (at that time, rates ran on a calendar year). See e.g. Commission Docket 4394 at Response to COMM 4-4. Moreover, the amounts proposed are not material and RIE can therefore absorb them without financial harm to the company or putting credit at risk. See Response to AG 1-3, Exhibit B attached hereto. However, if the Commission determines that awarding carrying costs for any deferral is appropriate and in the best interest of customers, the Attorney General is prepared to pay the interest fees for residential ratepayers out of the Office’s consumer litigation recovery fund. To be clear, we do not believe that the Company should seek to recover these negligible costs, but the interest charges sought by the Company should also not get in the way of pursuing the best interest of the ratepayers.

On balance, it is the Attorney General’s position that if an opt-in mechanism that tracks consumers as they switch suppliers can be implemented, and the Commission concurs, giving due regard to impacts on summer rates of typical consumers and whether those impacts can be adequately communicated, a 10% deferral would be an appropriate measure to allow Rhode Island residential consumers more time to prepare for increased energy costs in their monthly budgets.

V. The Attorney General Does Not Object to Deferral of the Customer Charge

The Governor has additionally suggested a deferral of the $6 (less for low-income residential customers) customer charge on all Rhode Island Energy electric bills. This charge is based on distribution and represents a simple shifting of a constant flat-fee from each customer from the winter rate bills to the summer rate bills. As noted by the Division, this would provide short-term relief without any potential complications from customers leaving LRS or any impact on competitive supply markets. See Division Memo at 7. The Attorney General does not object
to this proposal (by itself or in addition to other options) if the Commission determines deferral of this charge is appropriate and in the best interest of consumers, the impact on summer rates is clearly communicated, and any affects from stacking this deferral with other deferrals are considered. One mitigating option could be to limit this deferral to the highest-use winter months (December, January, and February) to be recouped in the earliest months of spring (April, May, and June). It should be noted that the Company has indicated that it would seek carrying charges on that amount as well, but any such request should be rejected for the reasons outlined above.

VI. The Company should make an effort to inform the public about their options to help budget and determine payment options that are best for them.

The Attorney General believes that Rhode Island’s customers are entitled to robust information from their utility provider so that they can make informed decisions about their energy usage and billing preferences. Ultimately, the utility should be working towards simple and understandable messaging so that consumers can understand the many components of their bills and how to plan for future expenses. Although Rhode Island Energy has just come into its new role as owner of The Narragansett Electric Company, there is much work to be done to ensure that the customers receive full and fair information concerning their billing. Throughout this docket and other matters pending before the Commission, the Company has cited shortcomings in its ability to send vital information to customers. Due to technical limitations or logistical concerns, the Company has said it is limited in its ability to communicate with customers via bills or mailings. See e.g. RIE Reply Comment in Docket 22-07-GE, Exhibit C attached hereto.

Particularly beneficial to customers during these difficult times would be information about how to affirmatively choose to spread out the credit that was secured on their behalf via the Settlement Agreement. Specifically, “many customers could pay more than the current amount
due on their bills in the manner described above and spread the impact of the bill credit over multiple months by leaving a credit balance on their account.” *Id.* at 3.

Similarly, the Budget Billing Program gives customers a way to affirmatively opt-in to a system designed to keep their bills consistent throughout the year. Rhode Island ratepayers do not have easy access to information about this program or the ability to fully understand its benefits. In order to find information about budget billing on the RIE payment website, one must choose a drop down called “Payment Assistance” on the side of the page. This tab is separate from one entitled “Bills & Payments”. When you select the Budget Billing tab, you are provided a very general overview of the program. Additional information is only provided when you select “Go to Enroll.”

This type of information should be readily available and easily accessible to all ratepayers. Not every Rhode Island customer interested in budget billing needs payment assistance—many are able to pay but a budget billing option may simplify their household monthly expenses. Such a customer may never explore the “Payment Assistance” portion of the website. Price spikes are likely to be experienced each year in the winter, and the volatility in energy markets that will continue to occur until a transition to 100% renewables is fully achieved mean that many households will be looking for alternatives. The Attorney General recommends enhanced written messaging via mail and email to Rhode Island Ratepayers concerning these issues. Additionally, for this coming rate period, we would recommend that the Company add a banner to the bill payment website, providing customers with information about their payment options (including how to use the impact of the Settlement Agreement credit over several months) and information about budget billing.
The Attorney General’s Office intends to use its available consumer channels to provide this essential information to Rhode Islander ratepayers and will continue to advocate for understandable, rational bills in dockets before the Commission. As Rhode Island faces the transition to clean energy together, it will be more important than ever for consumers to understand their options, be prepared for the future, and have security that their dollars are contributing to keep the lights on for their own families and for a greener, cleaner energy future.

Respectfully submitted,

PETER F. NERONHA
ATTORNEY GENERAL OF THE
STATE OF RHODE ISLAND

By his Attorneys,

/s/ Nicholas M. Vaz
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/s/ Alison B. Hoffman
Alison B. Hoffman (#9811)
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ahoffman@riag.ri.gov
(401) 274-4400 x 2297 / 2116
CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of September 2022, the original and nine hard copies of this Memorandum were sent via in hand-delivery to Luly Massaro, Clerk of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. In addition, electronic copies were served via electronic mail on the service list for this Docket on this date.

/s/ Ellen Golde
EXHIBIT A
Request:

In comments submitted by the Governor on August 15, 2022, he advised that $3.8 million was proposed to be made available from RGGI funds, pending the outcome of a public process, to reduce the impact of the proposed Last Resort Service rates. According to the letter, “RGGI funding would provide direct rate relief to approximately 39,000 low-income customers…as a fixed monthly credit on their electricity bills during the winter period.”

a. Please explain how the Company would propose to credit the $3.8 million to A-60 customers over the months of November 2022 through April 2023, identifying any challenges that need to be overcome?

b. The letter suggests that the bill credit appear on each monthly bill for the months of November 2022 through April 2023. If this were a separate monthly charge, would the Company have the same concerns as those expressed in the Company’s responses to PUC Data Requests Sets 1, 2 and 3 in Docket No. 22-07-GE. Please explain, incorporating the relevant portions of those responses into this response.

c. Would it be technically feasible to apply the monthly credit as a reduction to the monthly customer charge? If not, why not?

d. If it would be technically feasible, what challenges does the Company anticipate from the proposal?

e. By what date would the Company need a decision from the Commission and/or OER to allow National Grid to implement such billing changes?

Response:

a. The Company’s preferred method for providing the credits stemming from the Regional Greenhouse Gas Initiative (“RGGI”) funds is to provide a one-time RGGI bill credit of $104.84 to all low-income electric customers on Rate A-60. Please see Attachment PUC 6-1, which is a proposed tariff for the Company’s preferred method for crediting the RGGI funds to Rate A-60 customers.

If the Company was directed to apply the RGGI funds as bill credits over the months of November 2022 through April 2023, the Company would propose to calculate a fixed credit amount by dividing the $3,858,150 in RGGI funds by the forecasted number of active Rate A-60 customers at the beginning of the first bill cycle and then dividing by six months. Using the current November 2022 forecast of A-60 customers (36,800 customers), the credit would be $17.47 per month. This would require the Company to reconcile any over- or under-crediting to Rate A-60 customers as a result of the

Prepared by or under the supervision of: Chris Ann Rossi and Eric Russell (Pursuant to the Transition Services Agreement)
difference in the actual number of Rate A-60 customers provided the credit over the six-month period and the forecasted Rate A-60 customer count used to calculate the credit per customer. The Company notes, however, that it has provided a comprehensive list of challenges in its response to part b of this request that would arise if the Company provided the credits over six months.

b. Yes, the Company would have many of the same concerns if the RGGI bill credit appeared on each monthly bill for the months of November 2022 through April 2023. These concerns stem from the risks, challenges, and impacts on customers and the Company as explained below.

**Manual Process:**

- The Company cannot automate the process to effectuate the monthly RGGI bill credit for the months November 2022 through April 2023 because the time necessary to create the automated process will not permit the Company to have the automated process in place in time to commence processing the bill credits in November 2022. The Company has determined that it will take three to four months to create an automated process from the time the Company determines the specific parameters for the process and is able to commence development. That process will take that amount of time because the Company must define the requirements and rules around the new billing component it will create. Additionally, the new component would require modeling in the billing system on two impacted service classifications (the 25% discount class and the 30% discount class) and rate codes, which would include many table updates and minor code changes depending on the requirements. The modeler must unit test the new billing component before the new modeling is turned over for user acceptance testing (“UAT”). UAT would include executing a test bill scenario to verify the bill calculation and appearance on the bill for the service classification and rate codes impacted along with other test conditions for billing. Then, once all these steps are complete, the Company would be able to migrate the automated process for the new billing component to production to apply it to customer bills.

- To program and implement the RGGI bill credit, the Company will create and execute a one-time miscellaneous adjustment that involves building a new program with the necessary features, including the following: (a) target population, (b) amount to be credited, and (c) proper accounting. After building the program, the
EXHIBIT B
Request:

Please provide the expected Last Resort Service rate for Residential and Commercial customers, by rate class, assuming that the following percentages of rates are deferred from October 2022 through March 2023 for recovery during April 2023 through September 2023:

a. 5%
b. 10%
c. 15%
d. 20%

Please include any other financial impacts for customers, including but not limited to any interest the Company would expect to receive.

Response:

Please see Attachment AG 1-3 for the requested information for each of the four scenarios for the Residential and Commercial customers.

Please see the table below that summarizes the customer impact for Residential and Commercial customers

<table>
<thead>
<tr>
<th>LRS Deferral Balance (Oct-22 - Mar-23)</th>
<th>(a) Residential</th>
<th>(b) Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) 5%</td>
<td>($12,259,913)</td>
<td>($4,283,557)</td>
</tr>
<tr>
<td>(2) 10%</td>
<td>($24,519,824)</td>
<td>($8,567,114)</td>
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<tr>
<td>(3) 15%</td>
<td>($36,779,736)</td>
<td>($12,850,671)</td>
</tr>
<tr>
<td>(4) 20%</td>
<td>($49,039,647)</td>
<td>($17,134,228)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest on LRS Deferral Balance</th>
<th>Residential</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) 5% Deferred Balance</td>
<td>($44,442)</td>
<td>($15,528)</td>
</tr>
<tr>
<td>(6) 10% Deferred Balance</td>
<td>($88,884)</td>
<td>($31,056)</td>
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<tr>
<td>(7) 15% Deferred Balance</td>
<td>($133,327)</td>
<td>($46,584)</td>
</tr>
<tr>
<td>(8) 20% Deferred Balance</td>
<td>($177,769)</td>
<td>($62,112)</td>
</tr>
</tbody>
</table>

Prepared by or under the supervision of: Jeffrey Oliveira
## The Narragansett Electric Company
d/b/a Rhode Island Energy

## Illustrative Residential Group Last Resort Service Rate
(Rates A-16 and A-60)

Based on Weighted Average Effective Last Resort Service Prices

October 2022 through March 2023

### Section 1: Percentage of Residential Customer kWhs Attributable to Last Resort Service

1. Residential Group Last Resort Service kWhs - June 2022: 201,539,365
2. Total Residential Group kWhs - June 2022: 216,361,105
3. Percentage of Residential Group Last Resort Service kWhs to Total Residential Customer kWhs: 93.15%

### Section 2: Projected Residential Group Last Resort Service kWhs

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2022</th>
<th>2023</th>
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<tr>
<td></td>
<td>October</td>
<td>November</td>
<td>December</td>
<td>January</td>
<td>February</td>
<td>March</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>225,800,071</td>
<td>220,378,313</td>
<td>260,291,100</td>
<td>290,976,671</td>
<td>274,811,188</td>
<td>262,679,477</td>
<td>1,534,936,820</td>
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<tr>
<td>(b)</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
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<tr>
<td>(c)</td>
<td>205,282,399</td>
<td>242,461,160</td>
<td>271,044,769</td>
<td>255,986,622</td>
<td>244,685,933</td>
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<td>(f)</td>
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</tr>
</tbody>
</table>

### Section 3: Weighted Average Residential Group Last Resort Service Charge

1. Projected Residential Group Last Resort Service kWhs: 210,332,766
2. Estimated Residential Group Last Resort Service Price per kWh:
   - October: $0.16100
   - November: $0.16621
   - December: $0.17363
   - January: $0.17935
   - February: $0.17997
   - March: $0.16525
3. Projected Residential Group Last Resort Service Cost:
   - $33,863,575
   - $34,119,988
   - $42,098,531
   - $48,611,879
   - $46,069,912
   - $40,434,350
   - $245,198,235
4. Weighted Average Residential Group Base Last Resort Service Charge:
   - $0.16291
5. Percentage of rate deferred for recovery during April 2023 through September 2023: -5.00%
6. Illustrative 5% Residential Group Last Resort Service Cost Deferral:
   - ($1,693,179)
   - ($1,705,999)
   - ($2,104,927)
   - ($2,430,594)
   - ($2,303,496)
   - ($2,021,718)
   - ($12,259,913)
7. Illustrative Projected Residential Group Last Resort Service Cost:
   - $32,170,396
   - $32,413,989
   - $39,993,604
   - $46,181,285
   - $43,766,416
   - $38,412,632
   - $232,938,322
8. Illustrative Weighted Average Residential Group Base Last Resort Service Charge (95%):
   - $0.16291
9. Illustrative Weighted Average Last Resort Service Rate Base Rate per kWh: $0.16291
10. Last Resort Service Administrative Cost Factor: $0.00233
11. Renewable Energy Standard Charge: $0.00721
12. Total Illustrative Residential Group Last Resort Service Rate per kWh: $0.17149
13. Currently Effective Residential Group Last Resort Service Rate: $0.07810
14. Illustrative Increase to Residential Group Last Resort Service Rate: $0.09317

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1. Per Company revenue reports (Rates A-16 and A-60) - June 2022
2. Per Company revenue reports (Rates A-16 and A-60) - June 2022
3. Line (1) = Line (2), rounded to four decimal places
4. Per Company forecast for Residential Group rates
5. Line (3)
6. Line (4) x Line (5)
7. Line (6)
8. Sum of Lines (13) through (18)
9. Line (7) x Line (8)
10. Line (9), Column (g) = Line (7), Column (g), truncated after 5 decimal places
11. Illustrative Deferral rate
12. Line (9) x Line (11)
13. Line (9) + Line (12)
14. Line (13), Column (g) + Line (7), Column (g), truncated after 5 decimal places
15. Line (14)
16. per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
17. per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
18. per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
19. Sum of Lines (15) through (18)
20. per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
21. Line (19) - Line (20)
The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 4978
Responses to the Attorney General's First Set of Data Requests
Issued on August 19, 2022
Attachment AG 1-3
Page 2 of 8

Illustrative Commercial Group Last Resort Service Rates
(Rates C-06, G-02 and SL)
Based on Weighted Average Effective Last Resort Service Rates
October 2022 through March 2023

### Section 1: Percentage of Commercial Group kWhs Attributable to Last Resort Service

<table>
<thead>
<tr>
<th>Description</th>
<th>June 2022</th>
<th>Total Commercial Group kWhs - June 2022</th>
<th>Percentage of Commercial Group Last Resort Service kWhs to Total Commercial Customer kWhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Group Last Resort Service kWhs -</td>
<td>83,147,572</td>
<td>154,393,182</td>
<td>53.85%</td>
</tr>
<tr>
<td>Total Commercial Group kWhs -</td>
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<td></td>
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</tbody>
</table>

### Section 2: Projected Commercial Group Last Resort Service kWhs

<table>
<thead>
<tr>
<th>Month</th>
<th>2022</th>
<th>2022</th>
<th>2022</th>
<th>2023</th>
<th>2023</th>
<th>2023</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October (a)</td>
<td>November (b)</td>
<td>December (c)</td>
<td>January (d)</td>
<td>February (e)</td>
<td>March (f)</td>
<td>(g)</td>
</tr>
<tr>
<td>Projected Total Company Commercial Group kWhs</td>
<td>160,429,171</td>
<td>154,944,488</td>
<td>160,236,066</td>
<td>157,407,297</td>
<td>156,393,975</td>
<td>953,614,301</td>
<td></td>
</tr>
<tr>
<td>Percentage of Commercial Group Last Resort Service kWhs to Total Commercial Customer kWhs</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
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</tr>
<tr>
<td>Projected Commercial Group Last Resort Service kWhs</td>
<td>86,391,109</td>
<td>83,437,607</td>
<td>86,287,122</td>
<td>88,423,479</td>
<td>84,763,829</td>
<td>513,521,302</td>
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### Section 3: Weighted Average Commercial Group Last Resort Service Charge

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
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<th>2022</th>
<th>2023</th>
<th>2023</th>
<th>2023</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Estimated Commercial Group Last Resort Service Price per kWh</td>
<td>$0.15267</td>
<td>$0.15982</td>
<td>$0.17147</td>
<td>$0.17761</td>
<td>$0.17650</td>
<td>$0.16250</td>
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<tr>
<td>Projected Commercial Group Last Resort Service Cost</td>
<td>$13,189,331</td>
<td>$13,334,998</td>
<td>$14,795,653</td>
<td>$15,704,894</td>
<td>$14,960,816</td>
<td>$13,685,450</td>
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<tr>
<td>Projected Commercial Group Last Resort Service Cost</td>
<td>$12,529,864</td>
<td>$12,668,248</td>
<td>$14,055,870</td>
<td>$14,919,649</td>
<td>$14,212,775</td>
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<tr>
<td>Weighted Average Commercial Group Base Last Resort Service Charge</td>
<td>$0.16683</td>
<td>$0.16683</td>
<td>$0.16683</td>
<td>$0.16683</td>
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</tr>
<tr>
<td>Percentage of rate deferred for recovery during April 2023 through September 2023</td>
<td>-5.00%</td>
<td>-5.00%</td>
<td>-5.00%</td>
<td>-5.00%</td>
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<tr>
<td>Illustrative 5% Commercial Group Last Resort Service Cost Deferral</td>
<td>($659,467)</td>
<td>($666,750)</td>
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<td>($785,245)</td>
<td>($748,041)</td>
<td>($4,283,557)</td>
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<td>Total Illustrative Commercial Group Last Resort Service Price per kWh</td>
<td>$0.16099</td>
<td>$0.16778</td>
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<td>$0.18468</td>
<td>$0.18363</td>
<td>$0.17444</td>
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<td>Currently Effective Commercial Group Last Resort Service Charge</td>
<td>$0.08847</td>
<td>$0.08847</td>
<td>$0.08847</td>
<td>$0.08847</td>
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<td>Illustrative Increase to Commercial Group Last Resort Service Charge</td>
<td>$0.09397</td>
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</table>

(1) Per Company revenue reports (Rates C-06, G-02 and SL) - June 2022
(2) Per Company revenue reports (Rates C-06, G-02 and SL) - June 2022
(3) Line (1) = Line (2), rounded to four decimal places
(4) Per Company forecast for Commercial Group rates
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8) Page 1, Line (5) = 100
(9) Line (7) x Line (8)
(10) Line (9), Column (g) = Line (7), Column (g), truncated after 5 decimal places
(11) Illustrative Deferral rate
(12) Line (9) x Line (11), truncated after 5 decimal places
(13) Line (9) + Line (12)
(14) Line (13), Column (g) + Line (7), Column (g), truncated after 5 decimal places
(15) Line (8) x 95% for monthly prices and Line (14) for weighted average price, truncated after 5 decimal places
(16) per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
(17) per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
(18) per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
(19) Sum of Lines (15) through (18)
(20) per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
(21) Line (20) Column (g) - Line (21)
The Narragansett Electric Company  
d/b/a Rhode Island Energy  
RIPUC Docket No. 4978  
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Issued on August 19, 2022  
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The Narragansett Electric Company  
d/b/a Rhode Island Energy  
Illustrative Residential Group Last Resort Service Rate  
(Rates A-16 and A-60)  
Based on Weighted Average Effective Last Resort Service Prices  
October 2022 through March 2023

Section 1: Percentage of Residential Customer kWhs Attributable to Last Resort Service

| 1. | Residential Group Last Resort Service kWhs - June 2022 | 201,539,365 |
| 2. | Total Residential Group kWhs - June 2022 | 216,361,105 |
| 3. | Percentage of Residential Group Last Resort Service kWhs to Total Residential Customer kWhs | 93.15% |

Section 2: Projected Residential Group Last Resort Service kWhs

<table>
<thead>
<tr>
<th></th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>(4)</td>
<td>Projected Total Company Residential Group kWhs</td>
<td>225,800,071</td>
<td>220,378,313</td>
<td>260,291,100</td>
<td>290,976,671</td>
<td>274,811,188</td>
<td>262,679,477</td>
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<td>(5)</td>
<td>Percentage of Residential Group Last Resort Service kWhs to Total Residential Customer kWhs</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
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<tr>
<td>(6)</td>
<td>Projected Residential Group Last Resort Service kWhs</td>
<td>210,332,766</td>
<td>205,282,399</td>
<td>242,461,160</td>
<td>271,044,769</td>
<td>255,986,622</td>
<td>244,685,933</td>
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Section 3: Weighted Average Residential Group Last Resort Service Charge

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<th>2022</th>
<th>2022</th>
<th>2023</th>
<th>2023</th>
<th>2023</th>
<th>Total</th>
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<tbody>
<tr>
<td>(7)</td>
<td>Projected Residential Group Last Resort Service kWhs</td>
<td>210,332,766</td>
<td>205,282,399</td>
<td>242,461,160</td>
<td>271,044,769</td>
<td>255,986,622</td>
<td>244,685,933</td>
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<tr>
<td>(8)</td>
<td>Estimated Residential Group Last Resort Service Price per kWh</td>
<td>$0.16100</td>
<td>$0.16621</td>
<td>$0.17363</td>
<td>$0.17935</td>
<td>$0.17997</td>
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<td>(9)</td>
<td>Projected Residential Group Last Resort Service Cost</td>
<td>$33,863,575</td>
<td>$34,119,988</td>
<td>$42,098,531</td>
<td>$48,611,879</td>
<td>$46,069,912</td>
<td>$40,434,350</td>
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<tr>
<td>(10)</td>
<td>Weighted Average Residential Group Base Last Resort Service Charge</td>
<td>$0.17149</td>
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<tr>
<td>(11)</td>
<td>Percentage of rate deferred for recovery during April 2023 through September 2023</td>
<td>-10.00%</td>
<td>-10.00%</td>
<td>-10.00%</td>
<td>-10.00%</td>
<td>-10.00%</td>
<td>-10.00%</td>
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<tr>
<td>(13)</td>
<td>Illustrative Projected Residential Group Last Resort Service Cost</td>
<td>$30,477,217</td>
<td>$30,707,989</td>
<td>$37,888,678</td>
<td>$43,750,691</td>
<td>$41,462,921</td>
<td>$36,390,915</td>
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<tr>
<td>(14)</td>
<td>Illustrative Weighted Average Residential Group Base Last Resort Service Charge (90%)</td>
<td>($0.15434)</td>
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<tr>
<td>(15)</td>
<td>Illustrative Weighted Average Last Resort Service Base Rate per kWh</td>
<td>$0.15434</td>
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<tr>
<td>(16)</td>
<td>Last Resort Service Administrative Cost Factor</td>
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<td>(17)</td>
<td>Last Resort Adjustment Factor</td>
<td>$0.00318</td>
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<td>(18)</td>
<td>Renewable Energy Standard Charge</td>
<td>$0.00721</td>
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<td>(19)</td>
<td>Total Illustrative Residential Group Last Resort Service Rate per kWh</td>
<td>$0.16870</td>
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<td>(20)</td>
<td>Currently Effective Residential Group Last Resort Service Rate</td>
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<tr>
<td>(21)</td>
<td>Illustrative Increase to Residential Group Last Resort Service Rate</td>
<td>$0.08260</td>
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</tbody>
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(15) Line (14)  
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Illustrative Commercial Group Last Resort Service Rates
(Rates C-06, G-02 and SL)
Based on Weighted Average Effective Last Resort Service Prices
October 2022 through March 2023

Section 1: Percentage of Commercial Group kWhs Attributable to Last Resort Service

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<th>(1) Commercial Group Last Resort Service kWhs - June 2022</th>
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<tr>
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</table>

Section 2: Projected Commercial Group Last Resort Service kWhs

<table>
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<tr>
<th></th>
<th>October (a)</th>
<th>November (b)</th>
<th>December (c)</th>
<th>January (d)</th>
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<td>156,393,975</td>
<td>953,614,301</td>
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<td>(5) Percentage of Commercial Group Last Resort Service kWhs to Total Commercial Customer kWhs</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
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Section 3: Weighted Average Commercial Group Last Resort Service Charge

<table>
<thead>
<tr>
<th></th>
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<tr>
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<td>$0.15267</td>
<td>$0.15982</td>
<td>$0.17147</td>
<td>$0.17761</td>
<td>$0.17650</td>
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<tr>
<td>(9) Projected Commercial Group Last Resort Service Cost</td>
<td>$11,870,398</td>
<td>$12,001,498</td>
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<td>$14,134,405</td>
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<tr>
<td>(10) Weighted Average Commercial Group Base Last Resort Service Charge</td>
<td>$0.16683</td>
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<tr>
<td>(11) Percentage of rate deferred for recovery during April 2023 through September 2023</td>
<td>-10.00%</td>
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<td>(12) Illustrative 10% Commercial Group Last Resort Service Cost Deferral</td>
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<tr>
<td>(13) Illustrative Projected Commercial Group Last Resort Service Cost</td>
<td>$10,551,465</td>
<td>$10,667,998</td>
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<td>$12,998,692</td>
<td>$11,950,360</td>
<td>$68,536,914</td>
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<tr>
<td>(14) Illustrative Weighted Average Commercial Group Base Last Resort Service Charge (90%)</td>
<td>$0.14704</td>
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<tr>
<td>(15) Illustrative Monthly and Weighted Average Last Resort Service Base Price per kWh</td>
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<td>$0.14383</td>
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<td>(16) Last Resort Service Administrative Cost Factor</td>
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<td>(19) Total Illustrative Commercial Group Last Resort Service Price per kWh</td>
<td>$0.15336</td>
<td>$0.15979</td>
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<td>(20) Currently Effective Commercial Group Last Resort Service Charge</td>
<td>$0.08847</td>
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<td>(21) Illustrative Increase to Commercial Group Last Resort Service Rate</td>
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</table>

(1) Per Company revenue reports (Rates C-06, G-02 and SL) - June 2022
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(3) Line (1) = Line (2), rounded to four decimal places
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(7) Line (6)
(8) Page 1, Line (5) = 100
(9) Line (7) = Line (8)
(10) Line (9), Column (d) = Line (7), Column (d), truncated after 5 decimal places
(11) Illustrative Deferral rate
(12) Line (9) x Line (11), truncated after 5 decimal places
(13) Line (9) = Line (12)
(14) Line (13), Column (g) = Line (7), Column (g), truncated after 5 decimal places
(15) Line (8) x 90% for monthly prices and Line (14) for weighted average price, truncated after 5 decimal places
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(21) Line (20) Column (g) - Line (21)
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d/b/a Rhode Island Energy
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Attachment AG 1-3
Page 5 of 8

The Narragansett Electric Company
d/b/a Rhode Island Energy
Illustrative Residential Group Last Resort Service Rate
(Rates A-16 and A-60)
Based on Weighted Average Effective Last Resort Service Prices
October 2022 through March 2023

Section 1: Percentage of Residential Customer kWhs Attributable to Last Resort Service

(1) Residential Group Last Resort Service kWhs - June 2022: 201,539,365
(2) Total Residential Group kWhs - June 2022: 216,361,105
(3) Percentage of Residential Group Last Resort Service kWhs to Total Residential Customer kWhs: 93.15%

Section 2: Projected Residential Group Last Resort Service kWhs

<table>
<thead>
<tr>
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<th>2022</th>
<th>2022</th>
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<td>October</td>
<td>November</td>
<td>December</td>
<td>January</td>
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<td>March</td>
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</tr>
<tr>
<td>(a)</td>
<td>225,800,071</td>
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</tr>
</tbody>
</table>

Section 3: Weighted Average Residential Group Last Resort Service Charge

(7) Projected Residential Group Last Resort Service kWhs: 210,332,766
(8) Estimated Residential Group Last Resort Service Price per kWh: $0.16100
(9) Projected Residential Group Last Resort Service Cost: $33,863,575
(10) Weighted Average Residential Group Base Last Resort Service Charge: $0.17149
(11) Percentage of rate deferred for recovery during April 2023 through September 2023: -15.00%
(12) Illustrative 15% Residential Group Last Resort Service Cost Deferral: ($5,079,536)
(13) Illustrative Projected Residential Group Last Resort Service Cost: $28,784,039
(14) Illustrative Weighted Average Residential Group Base Last Resort Service Charge (85%): $0.14576
(15) Illustrative Weighted Average Last Resort Service Base Rate per kWh: $0.14576
(16) Last Resort Service Administrative Cost Factor: $0.00253
(17) Last Resort Adjustment Factor: ($0.00318)
(18) Renewable Energy Standard Charge: $0.00721
(19) Total Illustrative Residential Group Last Resort Service Rate per kWh: $0.15212
(20) Currently Effective Residential Group Last Resort Service Rate: $0.07810
(21) Illustrative Increase to Residential Group Last Resort Service Rate: $0.07402

(1) Per Company revenue reports (Rates A-16 and A-60) - June 2022
(2) Per Company revenue reports (Rates A-16 and A-60) - June 2022
(3) Line (1) ÷ Line (2), rounded to four decimal places
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(13) Line (9) ÷ Line (12)
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(19) Sum of Lines (13) through (18)
(20) per Summary of Rates, Last Resort Service, RIPUC No. 2096, effective 7/1/22
(21) Line (19) - Line (20)
## Section 1: Percentage of Commercial Group kWhs Attributable to Last Resort Service

<table>
<thead>
<tr>
<th>(1) Commercial Group Last Resort Service kWhs - June 2022</th>
<th>83,147,572</th>
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</thead>
<tbody>
<tr>
<td>(2) Total Commercial Group kWhs - June 2022</td>
<td>154,393,182</td>
</tr>
<tr>
<td>(3) Percentage of Commercial Group Last Resort Service kWhs to Total Commercial Customer kWhs</td>
<td>53.85%</td>
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</tbody>
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## Section 2: Projected Commercial Group Last Resort Service kWhs

<table>
<thead>
<tr>
<th></th>
<th>October (a)</th>
<th>November (b)</th>
<th>December (c)</th>
<th>January (d)</th>
<th>February (e)</th>
<th>March (f)</th>
<th>Total (g)</th>
</tr>
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<tbody>
<tr>
<td>(4) Projected Total Company Commercial Group kWhs</td>
<td>160,429,171</td>
<td>154,944,488</td>
<td>160,236,066</td>
<td>157,407,297</td>
<td>156,393,975</td>
<td>953,614,301</td>
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</tr>
<tr>
<td>(5) Percentage of Commercial Group Last Resort Service kWhs to Total Commercial Customer kWhs</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
<td>53.85%</td>
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## Section 3: Weighted Average Commercial Group Last Resort Service Charge

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
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<th>2023</th>
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<tr>
<td>(8) Estimated Commercial Group Last Resort Service Price per kWh</td>
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<tr>
<td>(9) Projected Commercial Group Last Resort Service Cost</td>
<td>$13,189,331</td>
<td>$13,334,998</td>
<td>$14,795,653</td>
<td>$15,704,894</td>
<td>$13,685,450</td>
<td>$85,671,143</td>
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<td>(10) Weighted Average Commercial Group Base Last Resort Service Charge</td>
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<tr>
<td>(11) Percentage of rate deferred for recovery during April 2023 through September 2023</td>
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<td>-15.00%</td>
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<td>-15.00%</td>
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<tr>
<td>(12) Illustrative 15% Commercial Group Last Resort Service Cost Deferral</td>
<td>($1,978,400)</td>
<td>($2,000,250)</td>
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<td>(13) Illustrative Projected Commercial Group Last Resort Service Cost</td>
<td>$11,210,931</td>
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<td>(14) Illustrative Weighted Average Commercial Group Base Last Resort Service Charge (85%)</td>
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<td>(15) Illustrative Monthly and Weighted Average Last Resort Service Base Price per kWh</td>
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<td>(16) Last Resort Service Administrative Cost Factor</td>
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<td>(17) Last Resort Adjustment Factor</td>
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<tr>
<td>(18) Renewable Energy Standard Charge</td>
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<tr>
<td>(19) Total Illustrative Commercial Group Last Resort Service Price per kWh</td>
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<td>(20) Currently Effective Commercial Group Last Resort Service Charge</td>
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<td>(21) Illustrative Increase to Commercial Group Last Resort Service Rate</td>
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Attachment AG 1-3
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The Narragansett Electric Company
d/b/a Rhode Island Energy
Illustrative Residential Group Last Resort Service Rate
Based on Weighted Average Effective Last Resort Service Prices
October 2022 through March 2023

Section 1: Percentage of Residential Customer kWhs Attributable to Last Resort Service

1. Residential Group Last Resort Service kWhs - June 2022: 201,539,365
2. Total Residential Group kWhs - June 2022: 216,361,105
3. Percentage of Residential Group Last Resort Service kWhs to Total Residential Customer kWhs: 93.15%

Section 2: Projected Residential Group Last Resort Service kWhs

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<td>274,811,188</td>
<td>262,679,477</td>
<td>1,534,936,820</td>
</tr>
<tr>
<td>(b)</td>
<td>205,282,399</td>
<td>242,461,160</td>
<td>271,044,769</td>
<td>255,986,622</td>
<td>244,685,933</td>
<td>1,429,793,649</td>
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<tr>
<td>(c)</td>
<td>93.15%</td>
<td>93.15%</td>
<td>93.15%</td>
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Section 3: Weighted Average Residential Group Last Resort Service Charge

7. Projected Residential Group Last Resort Service kWhs: 210,332,766
8. Estimated Residential Group Last Resort Service Price per kWh: $0.16100
10. Weighted Average Residential Group Base Last Resort Service Charge: $0.17149
11. Percentage of rate deferred for recovery during April 2023 through September 2023: -20.00%
12. Illustrative 20% Residential Group Last Resort Service Cost Deferral: ($6,772,715) = ($6,823,998)
13. Illustrative Projected Residential Group Last Resort Service Cost: $27,090,860
14. Illustrative Weighted Average Residential Group Base Last Resort Service Charge (80%): $0.13719
15. Illustrative Weighted Average Last Resort Service Base Rate per kWh: $0.13719
16. Last Resort Service Administrative Cost Factor: $0.00253
17. Last Resort Adjustment Factor: ($0.00318)
18. Renewable Energy Standard Charge: $0.00721
19. Total Illustrative Residential Group Last Resort Service Rate per kWh: $0.14355
20. Currently Effective Residential Group Last Resort Service Rate: $0.07810
21. Illustrative Increase to Residential Group Last Resort Service Rate: $0.06545

(1) Per Company revenue reports (Rates A-16 and A-60) - June 2022
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(3) Line (1) + Line (2), rounded to four decimal places
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(8) Line (7) + Line (8)
(9) Line (7) x Line (8)
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(11) Illustrative deferral rate

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(15) Line (14)
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The Narragansett Electric Company
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The Narragansett Electric Company
d/b/a Rhode Island Energy

Illustrative Commercial Group Last Resort Service Rates
(Rates C-06, G-02 and SL)

Based on Weighted Average Effective Last Resort Service Prices
October 2022 through March 2023

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**Section 1: Percentage of Commercial Group kWhs Attributable to Last Resort Service**

1. Commercial Group Last Resort Service kWhs - June 2022: 83,147,572
2. Total Commercial Group kWhs - June 2022: 154,393,182
3. Percentage of Commercial Group Last Resort Service kWhs to Total Commercial Customer kWhs: 53.85%

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**Section 2: Projected Commercial Group Last Resort Service kWhs**

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<td>53.85%</td>
<td>53.85%</td>
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</tr>
<tr>
<td>(6)</td>
<td>86,391,109</td>
<td>83,437,607</td>
<td>86,287,122</td>
<td>88,423,479</td>
<td>84,763,829</td>
<td>84,218,156</td>
<td>513,521,302</td>
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**Section 3: Weighted Average Commercial Group Last Resort Service Charge**

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<tr>
<th></th>
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<td>$13,685.450</td>
<td>$10,948.360</td>
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<tr>
<td>(8)</td>
<td>$15,982</td>
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<td>$19,761</td>
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<td>$16250</td>
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(1) Per Company revenue reports (Rates C-06, G-02 and SL) - June 2022
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(6) Illustrative Monthly and Weighted Average Last Resort Service Base Price per kWh
(7) Last Resort Service Cost Factor
(8) Renewable Energy Standard Charge
(9) Total Illustrative Commercial Group Last Resort Service Price per kWh
(10) Currently Effective Commercial Group Last Resort Service Charge
(11) Illustrative Increase to Commercial Group Last Resort Service Rate

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(12) Line (9) x Line (11), truncated after 5 decimal places
(13) Line (9) ÷ Line (21)
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(21) Line (20) Column (g) - Line (21)

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(9) Line (7) x Line (8)
(10) Line (9), Column (g) ÷ Line (7), Column (g), truncated after 5 decimal places
(11) Illustrative Deferral rate
Petitioner The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), by and through its undersigned attorneys, submits these Reply Comments to the Rhode Island Public Utilities Commission (the “Commission”) in response to: (i) The Attorney General of the State of Rhode Island’s (the “Attorney General”) Position Memorandum, submitted on September 7, 2022; (ii) the position letter submitted by the Division of Public Utilities and Carriers (the “Division”) on September 7, 2022, as clarified by the Division’s September 12, 2022, letter of clarification; and (iii) questions contained in the email from Commission counsel, dated September 8, 2022.

I. **The Company Prefers a One-Time Credit**

The Company reiterates that it seeks to provide the bill credits agreed-upon with the Attorney General and proposed in this docket as expeditiously and efficiently as possible to benefit customers. Accordingly, the Company restates its preference to provide the bill credits as a single credit – as opposed to spreading the credits over multiple months. As mentioned in the Attorney General’s position memorandum, however, there are actions customers can take on their own that would spread the impact of the bill credit over multiple months.
II. **Customers’ Ability to Spread Credits Over Multiple Months**

The Company had informal discussions with the Attorney General in which the Company indicated that a customer could take certain actions to spread the impact of the bill credit over multiple months. Doing so, however, would be a customer-driven process; it would not be a service that the Company would provide to, or manage for, a customer. To spread the impact of the bill credit, a customer would need to pay more than the “Amount Due” on their bill to retain a credit balance.

On the month that the Company provides the credit to the customer, the “Amount Due” on the bill would be equal to the charges for electric delivery service and supply service, plus any other charges (such as Gross Earnings Tax), minus the amount of the credit. Using the sample bill the Company provided as Attachment AG 1-1 in response to the Attorney General’s first set of data requests in this docket, the “Amount Due” on that bill would be $112.59.¹ For a customer to spread the impact of the $63.72 credit over 6 months, the customer would have to pay the “Amount Due” plus an additional amount equal to the portion of the credit it wishes to retain going forward. The chart below illustrates the payments a customer would have to make to spread the credit evenly over six months, assuming that, in the absence of the credit, the customer would receive a $100 bill each month:

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¹ This results from changing the amount of the “General Credit” on page 2 from -$10.62 to -$63.72. Accordingly, the “Other Charges/Adjustments” amount on page one changes from -$3.57 to -$56.67, resulting in a “Current Charges” amount of $112.59. This amount carries over to the “Amount Due” line because it assumes the “Previous Due Balance” amount has been fully paid before the bill issues.
Many customers could pay more than the current amount due on their bills in the manner described above and spread the impact of the bill credit over multiple months by leaving a credit balance on their account. There are exceptions. First, any customer who is in the Arrearage Management Program or otherwise on a payment plan because of a previous unpaid balance (or otherwise has a previous unpaid balance) will not be able to spread the credit in this manner. For these customers, the credit will apply to the overall unpaid balance and will reduce the amount that must be paid to complete the payment plan. Second, customers who use autopay (“Directpay” or “Recurring Payment” plans) that are set to automatically pay the full amount due each month will not be able to spread the credit in this manner. For these customers, their payment amount will automatically decrease to the lower amount due, and the customer will use the full credit.2

For customers on the budget billing program, the credit will reduce the amount due for payment on their bills. Thus, if a customer has a set budgeted payment of $100, the credit will reduce the amount due in the month the customer receives it to $36.28. Budget billing customers can overpay the amount due to spread the impact of the credit over multiple months.

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2 The Company’s Recurring Payment program provides the option to make automatic payments of set amounts instead of the full balance. A customer could set the payment amount in the Recurring Payment program to overpay the amount due and spread the impact of the credit over multiple months.
III. **Providing Information to Customers**

The Attorney General’s position memorandum included a request that the information about “options available to those receiving a credit, including” the credit-spreading process described above, “along with an explanation that the credit was the result of the Settlement Agreement” with the Attorney General be “both publicly available online and provided directly to the customers receiving credits.” The Company agrees that providing as much information as is reasonably possible to customers about their options and how they can best use the benefits being provided to them is important. To that end, the Company is open to providing additional information on the website about these options. The Company cannot, however, provide all this information on a bill message and does not recommend a bill insert to be provided directly to customers.

The Company has technological limitations on the length of bill messages that preclude the Company from including all the requested information on a bill message. Bill inserts require advanced planning for production and delivery logistics. Bill inserts also have costs associated with development and delivery. Consequently, the time necessary to develop and deliver a bill insert could result in a delay in the delivery of the bill credit. Accordingly, the Company respectfully submits that (i) a bill message directing customers to the website containing information about the bill credits, and (ii) customer service representatives equipped with the information necessary to answer customers’ questions about the bill credits, are sufficient steps to inform customers about the benefit they will be receiving.
IV. Timing for Delivery of Bill Credits

The Company does not have a preference for a specific month within which to issue these bill credits. The Company would, however, prefer to provide these bill credits in a different month from the months in which it provides: (i) the arrearage forgiveness addressed in Docket No. 22-08-GE, and (ii) any bill credits from Regional Greenhouse Gas Initiative (“RGGI”) funds provided to the Company, which the Commission currently is considering in Docket No. 22-02-EL as part of the Company’s Last Resort Service Procurement Plan. Providing the different customer benefits in different months will make the reasons for and source of each benefit clearer to customers. Additionally, doing so will provide customers with benefits over multiple months without creating some of the logistical and technical challenges that arise from splitting one of the benefits over multiple months.

Finally, the Company respectfully requests that the Commission include language in the order in this docket that describes the amounts to be credited as a “refund of amounts previously collected since the date of the transaction.” The Company requests this language to clarify when the amounts to be refunded were collected from customers to assist it in applying proper accounting.

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3 The Company will require at least 30 days from the date of the order in this docket to implement the bill credits.
Respectfully submitted,

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

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