

# Rhode Island Superior Court clears the way for PPL's acquisition of Narragansett Electric following PPL settlement agreement with Rhode Island attorney general

*Agreement further demonstrates PPL's commitment to Rhode Island customers and enables PPL to close promptly on the transaction*

ALLENTOWN, Pa., May 23, 2022 /PRNewswire/ -- The Rhode Island Superior Court today cleared the way for PPL Corporation (NYSE: PPL) to acquire The Narragansett Electric Company from National Grid USA following a settlement agreement between PPL and the Rhode Island attorney general's office.

The Superior Court issued orders dismissing the attorney general's appeal of an earlier order from the Rhode Island Division of Public Utilities and Carriers approving the acquisition and lifting the court's stay of the approval order. The orders, which followed joint motions by the parties to the appeal, now enable PPL and National Grid to close promptly on the transaction.

As part of PPL's settlement agreement with the attorney general, PPL has agreed to:

- Provide \$50 million in bill credits to Narragansett Electric customers, both gas and electric.
- Seek Rhode Island Public Utility Commission (RIPUC) approval to forgive more than \$43 million in arrearages for low-income and protected customers (approximately \$21 million of which is already reserved on Narragansett Electric's books).
- Forgo the potential recovery of transition costs associated with the acquisition and integration of Narragansett Electric, which PPL had already capped in its prior commitments.
- Write off and not seek recovery of more than \$20 million in current regulatory assets on Narragansett Electric's books. The regulatory assets are related to information technology and cyber costs incurred by National Grid that will not be used by PPL following the transition period.

In addition to the above commitments, PPL will not seek any base rate increases for at least three years after the transaction closes and until there has been at least 12 months of operating experience under PPL leadership following termination of the transition services agreements with National Grid.

PPL also has agreed to additional actions that reinforce the company's strong commitment to grid modernization and decarbonization. PPL will prepare and submit an Act on Climate Report within one year of the acquisition to the RIPUC and attorney general's office. The report will provide input to the Rhode Island Executive Climate Change Coordinating Council as the council develops plans to implement the state's Act on Climate.

PPL will also make a \$2.5 million contribution to the Rhode Island Commerce Corporation's Renewable Energy Fund and make available an additional \$2.5 million to the attorney general's office to use, if the office deems necessary, to evaluate Narragansett Electric's Act on Climate Report or participate in any future RIPUC proceeding that might be conducted to assess the future of the gas distribution business.

"We're pleased we've achieved this outcome, which further underscores PPL's steadfast commitment to Rhode Island customers and to advancing the state's ambitious decarbonization goals," said Vince Sorgi, PPL president and chief executive officer.

"We have said throughout the approval process that PPL would bring clear value to Rhode Island, and the additional commitments announced today will provide direct and indirect benefits to customers that we believe will form the basis of a constructive and long-lasting presence in the state," said Sorgi. "At the same time, the acquisition will provide PPL with a more diversified portfolio of assets, reduce the proportion of revenues derived from coal generation as part of our business mix, and create additional opportunities to invest in a sustainable

energy future."

PPL said it expects to complete the acquisition this week and will announce the completion upon close. Upon closing, PPL will also announce the date and time of an investor day, during which PPL will provide details of its overall strategy, its clean energy transition strategy, its investment plans, as well as its plans to achieve competitive long-term earnings per share and dividend growth while maintaining one of the strongest balance sheets in the U.S. utility sector.

### **About PPL**

PPL Corporation (NYSE:PPL), based in Allentown, Pennsylvania, is a leading U.S. energy company focused on providing electricity and natural gas safely, reliably and affordably to 2.5 million customers in the U.S. PPL's high-performing, award-winning utilities are addressing energy challenges head-on by building smarter, more resilient and more dynamic power grids and advancing sustainable energy solutions. For more information, visit [www.pplweb.com](http://www.pplweb.com).

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