

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a RHODE ISLAND ENERGY'S ELECTRIC REVENUE : DOCKET NO. 23-16-EL
DECOUPLING MECHANISM RECONCILIATION FILING :
FOR THE YEAR ENDING MARCH 31, 2023 :**

ORDER

On May 15, 2023, The Narragansett Electric Company d/b/a Rhode Island Energy (RI Energy or Company) filed its Revenue Decoupling Mechanism Reconciliation with the Public Utilities Commission (Commission or PUC) pursuant to R.I. Gen. Laws § 39-1-27.7.1 and R.I.P.U.C. No. 2218.¹ RI Energy proposed a Revenue Decoupling Mechanism Adjustment Factor (Factor) of \$0.00076//kWh for effect July 1, 2023. On June 20, 2023, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of the proposed Factor.² At an Open Meeting held on June 22, 2023 the Commission approved the Factor for effect July 1, 2023.

The Company is required to submit its annual Revenue Decoupling Mechanism (RDM) reconciliation by May 15 of each year for the fiscal year ending on March 31 (RDM Year). The Company's RDM reconciliation compares the Annual Target Revenue to actual billed distribution revenue for the RDM Year. The Annual Target Revenue is the annual distribution revenue requirement, as approved by the PUC in a general rate case, less any adjustments to that revenue requirement that have been approved by the PUC. The RDM Reconciliation Amount is the difference (either positive or negative) between the actual billed distribution revenue and the

¹ RI Energy's 2023 Electric Revenue Decoupling Mechanism Reconciliation Filing (May 15, 2023). Pursuant to the Commission's decision in Docket No. 4770, Order No. 23823 (May 5, 2020), RI Energy is required to file a Decoupling Reconciliation Adjustment Factor with the Commission each year by May 15. All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <https://ripuc.ri.gov/Docket-23-16-EL>

² Division Mem. (June 20, 2023).

Annual Target Revenue for the RDM Year. The RDM Reconciliation Amount, including interest at the rate paid on customer deposits, is the basis for the Factor. The Factor is a uniform per-kWh charge or credit that is applicable to all customers and is typically effective for usage on and after July 1.³

In support of its filing, RI Energy submitted the direct testimony and schedules of Tyler G. Shields, Rates and Regulatory Specialist, and Stephanie A. Briggs, Senior Manager of Revenue and Rates (collectively, the Witness), both of PPL Services Corporation.⁴ To calculate the RDM Reconciliation amount, the Witness deducted the annual target revenue of \$299,305,226 from the billed distribution revenue of \$294,277,536 for the reconciliation period.⁵ The Witness proposed a Factor of \$0.00076/kWh for effect on July 1, 2023. The proposed Factor is designed to return the net under-recovery balance resulting from: (1) the under-recovery of \$5,094,260; (2) under-recovery of \$416,258 associated with the customer bill credit provided to Rate Class A customers during the period December 2022 through March 2023 in excess of the allocated Regional Greenhouse Gas Initiative (RGGI) funds, and (3) interest at the rate paid on customer deposits of \$123,379.⁶ The Witnesses calculated the Factor by dividing the total amount to be credited to customers by the forecasted kWh deliveries for July 1, 2023 to June 30, 2024 of 7,328,936,202.⁷

On June 20, 2023, the Division filed a memorandum recommending approval of RI Energy's proposed 2023 RDM Adjustment Factor of \$0.00076/kWh.⁸ It concluded that the Factor was correctly calculated.

³ Test. of Tyler G. Shields and Stephanie A. Briggs at 6 (May 15, 2023).

⁴ PPL Services Corporation provides administrative, management, and support service to PPL Corporation and its subsidiary companies, including RI Energy.

⁵ Witness Test. at 6-7; Sch. NECO-1 at 2.

⁶ Witness Test. at 8, 11-13; Sch. NECO-1 at 2,3.

⁷ RDM Filing, Sch. NECO-1 at 1.

⁸ Division Mem. at 3.

At an Open Meeting held on June 22, 2023, based on its review of the Company's filings and the Division's recommendation, the PUC voted unanimously to approve Rhode Island Energy's proposed 2023 RDM Adjustment Factor of \$0.00076/kWh for effect on July 1, 2023.

Accordingly, it is hereby

(24702) ORDERED:

The Narragansett Electric Company d/b/a National Grid's proposed 2023 Revenue Decoupling Mechanism Reconciliation Adjustment Factor of \$0.00076/kWh for effect on July 1, 2023 is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2023 PURSUANT TO AN OPEN MEETING DECISION ON JUNE 22, 2023. WRITTEN ORDER ISSUED JUNE 26, 2023.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



John C. Revens, Jr., Commissioner



NOTICE OF RIGHT TO APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.