



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS
89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 941-4500
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September 27, 2023

Via Electronic Mail

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

RE: Docket No. 23-27-EL – Rhode Island Energy’s Electric Pension Adjustment Factor Filing

Dear Ms. Massaro:

On behalf of the Division of Public Utilities and Carriers (“Division”), please accept for filing the attached review memorandum from Division Chief Accountant, John Bell.

Thank you for your attention to this filing.

Very truly yours,

/s/ Christy Hetherington

Christy Hetherington, Esq.
Chief of Legal Services
Division of Public Utilities and Carriers

Enclosure

cc: 23-27-EL Service List

Linda George, Esq., Division Administrator
John Spirito, Esq., Division Deputy Administrator
Paul Roberti, Esq., Division Chief Economic and Policy Analyst



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**To: Luly Massaro, Commission Clerk
Public Utilities Commission**

**From: John Bell, Chief Accountant
Division of Public Utilities & Carriers**

Date: September 27, 2023

Re: Docket 23-27-EL, Rhode Island Energy's Electric Pension Adjustment Factor Filing

The purpose of this memo is to provide the Division of Public Utilities and Carriers' ("Division") position concerning Rhode Island Energy's ("RIE") compliance filing submitted on September 27, 2023, in the above-referenced docket. The filing includes a proposed tariff amendment to the Company's Pension Adjustment Mechanism Provision that reflects changes to the timing of future filings in accordance with the Public Utilities Commission's ("PUC") open meeting decision of September 26, 2023.

The proposed tariff includes the following changes from the current tariff:

- Moving the current measurement period from the twelve-months ending March 31 each year to RIE's new fiscal year which ends December 31.
- For the fiscal year ending December 31, 2023, the Pension Adjustment Factor will be based on the nine-month period April 1, 2023 through December 3, 2023.

The Division reviewed the tariff changes and concluded that the proposed tariff properly reflects the PUC decision.

The Commission also decided at its September 26, 2023 open meeting to set a nine-month Pension Adjustment Factor ("PAF") beginning October 1, 2023, in order to transition to the new fiscal year period. In RIE's supplemental responses to PUC data request 1-1, the Company provided the calculation of a proposed nine-month factor that would be in place from October 2023 through June 2024. The proposed factor of (\$0.00394) was based on the reconciliation of actual Pension

and Post-Retirement Benefits Other than Pensions (“PBOB”) costs for the twelve months ending March 31, 2023 as originally filed in this docket. The only change to the calculation was a small reduction in interest due to the shorter payback of the over recovery, and the use of forecasted kWhs for nine-month verses the twelve-months in the original filing. The Division reviewed the calculation of the proposed nine-month PAF factor and determined it was properly calculated.

In conclusion, the Division recommends approval of RIE’s amended Pension Adjustment Mechanism Provision submitted on September 27, 2023 and the proposed PAF of (\$0.00394) provided in RIE’s supplemental responses to PUC 1-1 submitted on September 22, 2023.