

September 27, 2023

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

**RE: Docket No. 23-27-EL – 2023 Electric Pension Adjustment Factor Filing
Compliance Filing Amending Pension Adjustment Mechanism Provision,
RIPUC No. 2200**

Dear Ms. Massaro:

On behalf of Rhode Island Energy,¹ I have enclosed the Company's compliance filing in the above-referenced docket. This filing includes redline and clean versions of the proposed tariff amendment amending the Pension Adjustment Mechanism Provision, RIPUC No. 2200.

The Company is proposing this tariff amendment to comply with the Public Utilities Commission's vote regarding the timing of future Pension Adjustment Factor ("PAF") filings taken at the open meeting of September 26, 2023. The proposed amendment would permit the reconciliation of the difference between the Company's actual pension and PBOP expense for the nine month period ending December 31, 2023 and the base distribution rate allowance, plus carrying charges at the weighted average cost of capital on the cumulative five quarter average underfunding of the pension and PBOP Minimum Funding Obligation for the fiscal year ended December 31, 2023. In following years, the PAF would be filed to reconcile this difference for twelve month periods aligned with the Company's fiscal year (i.e. ending on December 31).

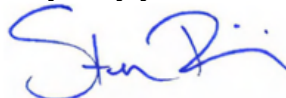
¹ The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company").

Robinson+Cole

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Thank you for your attention to this matter. If you have any questions, please contact me at 401-709-3359.

Very truly yours,



Steven J. Boyajian

Enclosures

cc: Docket No. 23-27-EL Service List
Christy Hetherington, Esq.
John Bell, Division
Al Mancini, Division

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Heidi J. Seddon

September 27, 2023

Date

Docket No. 23-27-EL – The Narragansett Electric Company d/b/a Rhode Island Energy Pension Adjustment Factor Service List as of 9/27/2023

Name/Address	E-mail Distribution	Phone
The Narragansett Electric Company d/b/a Rhode Island Energy Leticia Pimentel, Esq. Robinson & Cole LLP One Financial Plaza, 14th Floor Providence, RI 02903	lpimentel@rc.com ;	
	hseddon@rc.com ;	
	cobrien@pplweb.com ;	
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National Grid		
Division of Public Utilities (Division) Christy Hetherington, Esq. RI Division of Public Utilities & Carriers 89 Jefferson Boulevard Warwick, RI 02888	Christy.hetherington@dpuc.ri.gov ;	401-7880-
	John.bell@dpuc.ri.gov ;	
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David Efron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com ;	603-964-6526
File an original & five (5) copies w/: Luly E. Massaro, Commission Clerk	Luly.massaro@puc.ri.gov ;	401-780-2107

Cynthia Wilson-Frias, Esq. Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Cynthia.WilsonFrias@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	

THE NARRAGANSETT ELECTRIC COMPANY
PENSION ADJUSTMENT MECHANISM PROVISION

The prices for Retail Delivery Service contained in all the rates of the Company are subject to adjustment to reflect a Pension and Post-Retirement Benefits Other than Pensions (“PBOP”) Adjustment Factor (“PAF”). The PAF shall recover from or credit to customers the prior fiscal year’s reconciliation of the Company’s actual Pension and PBOP expenses to the Company’s Pension and PBOP expense allowance included in base distribution rates, including interest at the rate of interest paid on customer deposits.— The recoverable actual Pension and PBOP amount shall reflect expense recorded on the Company’s books of account pursuant to the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 715, Compensation-Retirement Benefits, as amended in March 2017 in a FASB Accounting Standards Update (formerly Statement of Financial Accounting Standards (“SFAS”) 87 and SFAS 106) associated with pension and PBOP.

The PAF will be computed based on the difference in the Company’s actual pension and PBOP expense for the prior ~~fiscal year twelve-month period~~ ended ~~December~~~~March~~ 31 and the base distribution rate allowance, plus carrying charges at the weighted average cost of capital on the cumulative five quarter average underfunding of the pension and PBOP Minimum Funding Obligation for the fiscal year ended ~~December~~~~March~~ 31. The Minimum Funding Obligation will be equal to the amount of pension and PBOP costs collected from customers during the fiscal year, plus the amounts of pension and PBOP costs capitalized during the fiscal year. The amount collected from customers during the fiscal year would include (1) pension and PBOP allowance included in base distribution rates, and (2) amounts collected or refunded through the PAF. For the purpose of determining its Minimum Funding Obligation and the carrying costs that apply to that obligation, the Company shall be permitted to combine the funding of pensions and PBOPs, thereby offsetting, any deficiencies in PBOPs funding with any excess pension funding, or conversely offsetting any deficiencies in pension funding with any excess PBOP funding. The Company will be required to accrue and defer carrying charges on only the net unfunded pension/PBOP amount.

Notwithstanding the foregoing, for the fiscal year ending December 31, 2023, the PAF will be computed as set forth above for the nine month period commencing April 1, 2023, and ending December 31, 2023, to align with the Company’s fiscal year ended December 31.

The PAF shall be a uniform per kilowatt-hour factor based on the estimated kilowatt-hours to be delivered by the Company to its retail delivery customers. For billing purposes, the PAF will be included with the distribution kWh charge on customers’ bills.

Adjustments to rates pursuant to the Pension Adjustment Mechanism Provision are subject to review and approval by the Commission. Modifications to the factor contained in this Provision shall be in accordance with a notice filed with the Commission pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

THE NARRAGANSETT ELECTRIC COMPANY
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