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Also admitted in Massachusetts

September 15, 2023

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

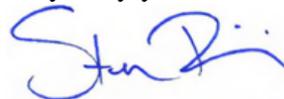
**RE: Docket 23-27-EL – 2023 Electric Pension Adjustment Factor Filing
Response to PUC Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of Rhode Island Energy,¹ I have enclosed the Company's response to the Public Utilities Commission's ("PUC") First Set of Data Requests in the above-referenced docket.

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 22-19-EL Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division

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

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 15, 2023

Date

Docket No. 22-19-EL – The Narragansett Electric Company d/b/a Rhode Island Energy Pension Adjustment Factor Service List as of 8/15/2023

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PUC 1-1

Request:

On page 12 of the Company's testimony, the witnesses state, "[g]oing forward, and assuming that the Company's Pension and PBOP expense reconciliations continue to be performed on an April 1 to March 31 basis, the Company will calculate its pension and PBOP expense based upon two periods: April 1 to December 31, of one calendar year and January 1 to March 31, of the following calendar year."

- (a) Would it be more efficient and less complex to set the factor and reconciliation based on a calendar year?
- (b) If so, when would the Company propose making the filing each year (example, February 15 with the retail rate filing or May 1 with the revenue decoupling mechanism)? Please explain.

Response:

- (a) Yes, it would be more efficient and less complex to set the factors and reconciliation based on a calendar year. Under the accounting guidance for pension and postretirement plans, companies are required to calculate costs based on their fiscal year. Historically, the rate filing year was based on the fiscal reporting year for National Grid, which is April 1 to March 31.

As a result of the acquisition of the Company by PPL Rhode Island Holdings, LLC, the Company's fiscal reporting year now corresponds to PPL Corporation's, which is a calendar year from January 1 to December 31. Moving to a calendar year basis will allow for the use of the actuarial reports that are used to record and report the Company's annual results. Updating the rate filing year to correspond to the calendar year will allow for the use of single versus multiple actuarial reports, measurement dates, corresponding assumptions, and market impacts for each pension and postretirement benefit plan.

- (b) The Company would propose making the filing each year on May 1 with rates effective July 1. A May 1 filing would allow the time needed to prepare the filing and avoid a conflict with the Company's fiscal year end (December 31) reporting obligations. The Company currently has several other electric rate changes that take effect on July 1, such as the Long Term Contracting Factor, RDM Adjustment Factor, and Arrearage Management Adjustment Factor.