



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS
89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 941-4500
(401) 941-9248 - Fax

**To: Stephanie De La Rosa, Commission Clerk
Public Utilities Commission**

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

Date: June 4, 2025

Re: Docket 25-10-EL, Rhode Island Energy's Electric Pension Adjustment Factor Filing

The purpose of this memo is to provide the Division's recommended position concerning Rhode Island Energy's Electric Pension and Postretirement Benefits Other than Pension ("PBOP") Adjustment Factor ("PAF") filing submitted on May 1, 2025, in the above referenced docket. The filing in this docket covers the twelve-month period ending December 31, 2024.

Rhode Island Energy ("RIE" or the "Company") submitted the filing in accordance with its Pension Adjustment Mechanism Provision tariff (RIPUC No. 2271, Effective October 1, 2023). The tariff states in part:

The PAF shall recover from or credit to customers the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's Pension and PBOP expenses allowance included in base distribution rates, including interest at the rate of interest paid on customer deposits.

The tariff further states:

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.

RIE's filing in this docket included joint testimony and supporting schedules of Jeffrey D. Oliveira and George R. Sunder. The joint testimony explains both the PAF mechanism and the schedules/calculations that support the Company's proposed PAF for effect on July 1, 2025. The current PAF is a credit of \$0.00274/kWh and the proposed PAF is a credit of \$0.00332/kWh which

if approved would result in a bill decrease of \$0.30 for a residential customer using 500 kWhs per month.

The proposed PAF credit of \$0.00332 is based on a net over recovery of \$20.17M, which includes the following items:

<u>Description</u>	<u>Amount</u>
Pension Over Recovery	\$ 15,638,824
PBOP Over Recovery	\$ 8,054,843
Over Recovery of Prior Year Deferrals	\$ 717,673
Estimated Interest on Over Recovery	\$ 1,039,541
Total Over Recovery with Interest	\$ 25,450,881

To arrive at the proposed PAF credit of \$0.00332, the over recovery is divided by RIE's forecasted kWh sales for the period July 1, 2025 through June 30, 2026, of 7,646,476,030.

On May 13, 2025, the Division issued a set of data requests seeking copies of Excel files and additional supporting documentation for certain amounts included in the filing. The Company provided full responses to our data requests on May 27, 2025. Based on our review of RIE's filing and their responses to our data requests, we concluded that the proposed PAF was accurately calculated and in accordance with the tariff. Accordingly, the Division recommends approval of the proposed PAF as filed.