

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC : DOCKET NO.: 25-10-EL
COMPANY D/B/A RHODE ISLAND ENERGY'S :
ELECTRIC PENSION ADJUSTMENT FACTOR :
FILING FOR THE TWELVE-MONTH PERIOD :
ENDING DECEMBER 31, 2024 :

ORDER

This matter is before the Public Utilities Commission (Commission) upon The Narragansett Electric Company d/b/a Rhode Island Energy's (Company) proposed Pension and Postretirement Benefits Other than Pensions (PBOP) Adjustment Factor (PAF) and reconciliation for the twelve-month period ending December 31, 2024, which was filed on May 1, 2025.¹

By way of background, the Company was authorized in Docket No. 4323 to reconcile its actual Pension and PBOP expenses annually for twelve-month periods ending March 31.² The difference between the Company's actual expenses and the allowance included in base distribution rates is either charged or credited to electric retail delivery customers on a uniform, per-kWh basis. The Commission approved the continuation of this practice in Docket No. 4770, but with an adjusted rate allowance.³ In Docket No. 23-27-EL, the Commission approved the Company's request to realign this filing with the Company's fiscal year ending December 31.⁴

In the instant filing, the Company proposed a credit factor of (\$0.00332)/kWh for effect July 1, 2025.⁵ The proposed credit factor was revised to (\$0.00339)/kWh in response to discovery.⁶

¹ All filings submitted in this matter can be accessed on the Commission's website at <https://ripuc.ri.gov/Docket-25-10-EL> or at its offices at 89 Jefferson Boulevard, Warwick, RI during regular business hours.

² See generally R.I.P.U.C. Order No. 21011 (Apr. 11, 2013).

³ See generally R.I.P.U.C. Order No. 23823 (May 5, 2020).

⁴ See generally R.I.P.U.C. Order No. 24820 (Oct. 6, 2023).

⁵ Oliveira Test. 6:19-7:4 (May 1, 2025); Schedule NECO-2.

⁶ Corrected Schedule NECO-2.

The impact for a typical residential customer using 500 kWh per month is a decrease of \$0.30, or 0.2%, from \$141.35 to \$141.05.⁷

The Company's rate allowances for the twelve months ending December 31, 2024 are in the amount of \$3,756,296 for pension expenses and \$4,815,932 for PBOP expenses.⁸ Schedule NECO-1 reflects an over-recovery of pension expenses in the amount of \$15,638,824 and an over-recovery of PBOP expenses in the amount of \$8,579,506 for the twelve months ending December 31, 2024.⁹ The Company's Minimum Funding Obligation is over-funded on a cumulative basis, and as such a carrying charge is not required.¹⁰

The Company adjusted the current year over-recoveries by accounting for a remaining credit balance of \$717,673 from prior years yet to be returned to customers.¹¹ The resulting total over-recovery from the current and prior years amounts to \$25,997,886, inclusive of interest.¹² The total over-recovery plus interest is divided by the Company's forecasted kWhs for the period July 1, 2025 through June 30, 2026 to arrive at the proposed credit factor of (\$0.00339)/kWh.¹³

The Division of Public Utilities and Carriers (Division) filed its position memorandum on June 4, 2025. After a review of the filings and responses to discovery, the Division found that the factor was calculated accurately and in accordance with the Company's tariff. Consequently, the Division recommended that the Commission approve the proposed PAF as filed.¹⁴

⁷ Oliveira Test. 8:10-15.

⁸ Corrected Schedule NECO-1, at 1, line (4).

⁹ *Id.* at line (12).

¹⁰ Oliveira Test. 6:1-6. For background, the Company is required to contribute to its Pension and PBOP plans at the Minimum Funding Obligation level, which is equal to the amount billed to customers plus the amounts of capitalized Pension and PBOP costs. *Id.* at 5:4-7. If the Company fails to fund its Pension and PBOP plans at the Minimum Funding Obligation level, the Company will pay a carrying charge to customers at the weighted average cost of capital. *Id.* at 5:9-11.

¹¹ Corrected Schedule NECO-2, at 1, line (4).

¹² *Id.* at line (7).

¹³ *Id.* at lines (7)-(9).

¹⁴ Division's Revised Position Statement, at 2 (June 5, 2025).

The Commission finds that the Company's proposed credit factor was calculated accurately and in accordance with the Company's tariff. At an Open Meeting held on June 26, 2025, the Commission made and approved motions consistent with this Order.


Accordingly, it is hereby:

(25456) ORDERED:

1. The Company's proposed credit factor of (\$0.00339)/kWh, for effect July 1, 2025, is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND JULY 1, 2025 PURSUANT TO AN OPEN MEETING DECISION ON JUNE 26, 2025. WRITTEN ORDER ISSUED JULY 22, 2025.

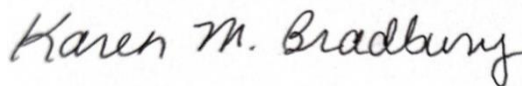
PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



Karen M. Bradbury, Commissioner

NOTICE OF RIGHT OF 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.