

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT ELECTRIC : DOCKET NO.: 25-14-EL  
COMPANY D/B/A RHODE ISLAND ENERGY'S :  
2025 RESIDENTIAL ASSISTANCE RECOVERY :  
FILING :**

**ORDER**

This matter is before the Public Utilities Commission (Commission) upon The Narragansett Electric Company d/b/a Rhode Island Energy's (Company) 2025 Residential Assistance Recovery Filing, which was submitted on May 15, 2025, pursuant to the Company's Residential Assistance Provision (RAP), R.I.P.U.C. No. 2239.<sup>1</sup> The Company proposes a new Arrearage Management Adjustment Factor (AMAF) of \$0.00006/kWh and Low Income Discount Recovery Factor (LIDRF) of \$0.00251/kWh for effect July 1, 2025.

**I. Arrearage Management Adjustment Factor**

The AMAF is designed to recover the total amount of arrearages forgiven by the Company from customers who have defaulted, opted out of the Arrearage Management Program (AMP) payment plan, or who have successfully completed the AMP payment plan.<sup>2</sup> Arrearages forgiven by the Company from unsuccessful payment plans are 100% recoverable, whereas arrearages forgiven from successful payment plans are only recoverable if the Company experienced more than its total allowable bad debt for that calendar year.

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<sup>1</sup> All filings submitted in this matter can be accessed on the Commission's website at <https://ripuc.ri.gov/Docket-25-14-EL> at its offices at 89 Jefferson Boulevard, Warwick, RI during regular business hours.

<sup>2</sup> Program participants enroll in a one-year payment plan, with a fixed monthly charge equal to the customer's estimated average prior usage, as determined by the Company. With each payment made over the course of the year, one-twelfth of the customer's arrearage would be forgiven. Customers can earn up to \$1,500 of forgiveness in a year. If a customer's outstanding balance is greater than \$1,500, the plan may be extended for an additional twelve-month period. Customers must remain current with payments or be subject to removal from the program, with all unpaid balances due and payable in full. R.I. Gen. Laws § 39-2-1(d).

In support of its filing, the Company submitted pre-filed testimony of Nolan Souza. Mr. Souza stated that in calendar year 2024, the Company forgave a total of \$455,658 in arrears for unsuccessful participants and \$79,169 in arrears for successful participants.<sup>3</sup> The Company experienced less actual bad debt than what was allowed for calendar year 2024; consequently, the Company cannot recover arrearages from successful payment plans.<sup>4</sup>

To calculate the AMAF, the Company added the total amount of unsuccessful arrearage forgiveness of \$455,658 and the ending under-recovery balance for the prior recovery period ending June 30, 2024, which is \$56,628, for a total adjusted arrearage recovery amount of \$512,286.<sup>5</sup> The Company then divided this total by the forecasted kWh for July 2025 through June 2026 to derive a proposed AMAF of \$0.00006/kWh.<sup>6</sup>

## **II. Low Income Discount Recovery Factor**

The LIDRF is designed to recover the estimated low-income discounts credited to A-60 customers' bills during the period of July 2025 through June 2026, as well as any remaining under- or over-collection of revenue less discounts applied to A-60 customers for the reconciliation period ending June 2024. The proposed LIDRF was calculated by estimating expected billings for A-60 customers for the period of July 2025 through June 2026, multiplied by the effective discount rate of 26%, which is based upon actual low-income discounts at the 25% and 30% levels for the period May 2024 through April 2025, resulting in a total estimated annual discount of \$18,532,171.<sup>7</sup> The

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<sup>3</sup> Nolan Test., at 6, 8 (May 15, 2025).

<sup>4</sup> *Id.* at 9; Schedule NECO-1, page 2, line (9).

<sup>5</sup> Nolan Test., at 9; Schedule NECO-1, page 2, line (14). Mr. Nolan stated that while developing the calendar year 2022 reconciliation, the Company corrected an error that originated in the Company's 2024 Residential Assistance Recovery Filing in Docket No. 24-17-EL, where total recoveries for the reconciliation period attributable to July 2023 were erroneously overstated by \$6,907. The final under-recovery balance of \$56,628 has been included as an adjustment to the calendar year 2024 Recoverable Arrearage Forgiveness amount and is shown on Schedule NECO-1, page 1, line (2). A full description of the error is included in pages 10-11 of Mr. Nolan's testimony.

<sup>6</sup> Nolan Test., at 9; Schedule NECO-1, page 1, line (11).

<sup>7</sup> Nolan Test., at 12-13; Schedule NECO-3, page 1.

Company's estimated annual discount is adjusted by the ending under-recovery balance for the prior recovery period ending June 30, 2024, which is \$92,612, for a total of \$18,624,783.<sup>8</sup> This amount is divided by the forecasted kWh for all rate classes except Rate A-60 for July 2025 through June 2026 to derive the proposed factor of \$0.00251/kWh.<sup>9</sup>

### **III. Division of Public Utilities and Carriers' Position**

The Division of Public Utilities and Carriers (Division) submitted its position statement on June 11, 2025. After reviewing the Company's filing, the Division concluded that the AMAF and LIDRF calculations were correct and in accordance with the approved tariff. Accordingly, the Division recommended that the Commission approve the proposed AMAF and LIDRF as filed.<sup>10</sup>

### **IV. Commission's Findings**

At an Open Meeting held on June 23, 2025, the Commission reviewed the filings and approved the factors, finding them to be calculated in compliance with the tariff.

Accordingly, it is hereby:

(25445) ORDERED:

1. The proposed AMAF of \$0.00006/kWh for effect on July 1, 2025 is approved.
2. The proposed LIDRF of \$0.00251/kWh for effect on July 1, 2025 is approved.

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<sup>8</sup> Schedule NECO-3, page 1, line (28). Mr. Nolan stated that while developing the LIDRF reconciliation for the period July 2023 through June 2024, the Company corrected an error that originated in the Company's 2024 Residential Assistance Recovery Filing in Docket No. 24-17-EL, where total recoveries for the reconciliation period attributable to July 2023 were erroneously understated by \$79,944. The final under-recovery balance of \$96,612 has been included as an adjustment to the estimated Low-Income Discount Recovery for the period July 1, 2025 through June 30, 2026, and is shown on Schedule NECO-3, page 1, line (27). A full description of the error is included in pages 14-15 of Mr. Nolan's testimony.

<sup>9</sup> *Id.*, page 1, line (30).


<sup>10</sup> See Division's Position Memorandum (June 11, 2025).

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2025 PURSUANT TO AN  
OPEN MEETING DECISION ON JUNE 23, 2025. WRITTEN ORDER ISSUED JULY 7, 2025.

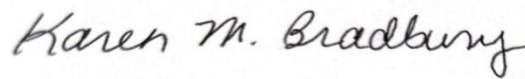
PUBLIC UTILITIES COMMISSION



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.