



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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Memorandum

TO: Stephanie De La Rosa
Clerk, Public Utilities Commission

FROM: Al Contente
Utility Analyst, Division of Public Utilities and Carriers

DATE: November 14, 2025

SUBJECT: Docket No. 25-44-EL - Rhode Island Energy's January - March 2026 Last Resort Service Rates Filing

BACKGROUND

On October 22, 2025, The Narragansett Electric Company d/b/a Rhode Island Energy ("RIE" or "Company") filed proposed Last Resort Service ("LRS") rates for the Industrial Group for the period January 1, 2026 through March 31, 2026, together with the results of its most recent LRS procurement. The Company also submitted a Request for Confidential Treatment covering the detailed bid results. The Company submitted the confidential materials to the Division of Public Utilities and Carriers ("Division") for review and analysis. The Division has reviewed the filing and submits this memo to the Public Utilities Commission ("Commission") for consideration.

As part of the Company's filing, it submitted the following information:

- The calculation of the retail LRS rates for the Industrial Group for the applicable service period.

- The Summary of Rates Tariff, RIPUC No. 2096, for LRS reflecting the proposed Industrial Group rates for the period beginning January 1, 2026.
- A bill impact analysis for the Industrial Group.
- A copy of the Request for Proposals (“RFP”) issued by the Company on September 5, 2025 to solicit LRS supply for the Residential and Commercial Groups for the period April 1, 2026 – September 30, 2026, and for the Industrial Group for the period January 1, 2026 through March 1, 2026.
- A redacted summary of the procurement process identifying the key actions taken by RIE to procure LRS for its customers.
- A redacted version of the executed confidential Transaction Confirmations.

Unredacted versions of the Procurement Summary and Transaction Confirmations were supplied under separate cover.

Last Resort Service Procurement Summary for the Fourth Quarter of 2025

Industrial Group: Procured 100% of the load for January 1, 2026 through March 31, 2026.

Commercial and Residential Groups: Procured 20% of the load for April 1, 2026 through September 30, 2026.

With this recent procurement of 20% of the load requirements, a total of 70% has been procured for the Commercial and Residential Groups for the period April 1, 2026 through September 30, 2026. The Company is scheduled to procure another 15% of the requirements in the first quarter of 2026, bringing the total to 85%. The remaining 15% will be procured in the spot market, consistent with the Company’s 2025 Last Resort Procurement Plan¹, which increased spot purchases from 10% to 15% beginning with the October 2025 pricing period.

Last Resort Service Proposed Rates – Industrial Group

The current filing seeks approval for LRS rates for the Industrial Group for the January 2026 through March 2026 time-period. The proposed rates are shown in Table T-1 below.

T-1

Line No.	Description	Jan 2026	Feb 2026	Mar 2026
1	Base Supply Rate per kWh	\$0.15687	\$0.14745	\$0.11860
2	Administrative Cost Factor	\$0.00148	\$0.00148	\$0.00148
3	Last Resort Service Adjustment Charge	\$0.00555	\$0.00555	\$0.00555
4	Renewable Energy Standard Charge	\$0.01461	\$0.01461	\$0.01461
5	Total Retail Rate	\$0.17851	\$0.16909	\$0.14024

¹ RIPUC Docket 24-20-EL

The factors on Lines 2 through 4 were previously approved by the Commission for effect on April 1, 2025, and are scheduled to remain in place through March 31, 2026, which coincides with the end of the scheduled pricing period. The base supply component shown on Line 1 includes the cost of energy, estimated capacity costs, ancillary services, and applicable line loss factors. The RFP issued on September 5, 2025, contained two load blocks for the Industrial Group with each block representing 50% load share. The Division reviewed the confidential information submitted in this docket and verified that the lowest bidder was selected for each load block.

Last Resort Service Industrial Group Winter Price History

Table T-2 below presents the proposed retail rates in this filing along with the rates for the previous four winter periods (Jan. – Mar.) for the Industrial Group.

T-2

	2022	2023	2024	2025	2026*
Month	Cents/kWh				
Jan	24.153	40.727	16.698	14.653	17.851
Feb	22.843	40.887	16.909	14.902	16.909
Mar	15.368	31.710	16.563	15.475	14.024

* - Proposed

The Division included this table for informational purposes to show pricing trends and notes that the LRS rates reflect wholesale market conditions as opposed to costs that are controllable by the Company. The proposed 2026 winter rates are, on average, on par with the last two years and are considerably lower than the average prices during the 2022-2023 timeframe. It is also noted that most industrial customers obtain their power supply in the competitive market; therefore, the proposed rates impact a limited number of customers.

RECOMMENDATION

Based on its review of RIE's filing in this docket, the Division concludes that the proposed LRS rates are correctly calculated and that the power supply procurements undertaken by the Company in this reporting period comply with the PUC approved LRS Procurement Plan. Accordingly, the Division recommends approval of the proposed LRS rates for the Industrial Group as filed.