STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS
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November 17, 2025

The RI Public Utilities Commission
c/o Stephanie DeLaRosa, Commission Clerk
89 Jefferson Blvd.
Warwick, R.I. 02888

In Re: Docket No. 25-28-EL

Dear Ms. DeLaRosa:

The Division submits these comments in response to the Commission's amended notice dated November 15, 2025 wherein the Commission states that at a hearing to be conducted on November 19, 2025, the Commission will consider whether to authorize the Company to issue bill credits to residential electric customers, and if so, how to replenish the value of the bill credits. The Commission further stated that it will be examining whether to apply various over-collections or positive account balances as offsets, such as the from the 2025 Energy Efficiency balance, Storm Replenishment Fund, or a transmission related liability…and whether to create a regulatory asset to allow the Company to recover the difference between the total value of the credits and the available offsets.

1) Crediting Funds to Customers from 2025 Projected Energy Efficiency Fund Balance

The Division has reviewed R.I. Gen. Law 39-1-27.7, the System Reliability and Least-Cost Procurement statute and does not find authority therein for the Commission to undertake an unrelated crediting of certain customer accounts.

Subsection b (1) (iv) provides:

"To effectuate the purposes of this division, the commission may establish standards and/or rates (A) For qualifying distributed generation, demand response, and renewable energy resources; (B) For net metering; (C) For back-up power and/or standby rates that reasonably facilitate the development of distributed generation; and (D) For such other matters as the commission may find necessary or appropriate."

Subsection (d) (5) provides:

“The commission shall issue an order approving all energy-efficiency measures that are cost-effective and lower cost than acquisition of additional supply, with regard to the plan from the electrical and natural gas distribution company, and reviewed and approved by the energy efficiency and resources management council, and any related annual plans, and shall approve a **fully reconciling funding mechanism** to fund investments in all efficiency measures that are cost-effective and lower cost than acquisition of additional supply, not greater than sixty (60) days after it is filed with the commission.” (Bolding added)

Subsection e provides:

If the commission shall determine that the implementation of system reliability and energy efficiency and conservation procurement has caused, or is likely to cause, under or over-recovery of overhead and fixed costs of the company implementing the procurement, the commission **may establish a mandatory rate-adjustment clause for the company so affected in order to provide for full recovery of reasonable and prudent overhead and fixed costs.** (Bolding added)

R.I. Gen Laws 39-2-1.2 provides in pertinent part:

(b) Effective as of January 1, 2008, and for a period of twenty (20) years thereafter, each electric distribution company shall include a charge per kilowatt-hour delivered to fund demand-side management programs. The 0.3 mills per kilowatt-hour delivered to fund renewable energy programs shall remain in effect until December 31, 2028. The electric distribution company shall **establish and, after July 1, 2007, maintain,** two (2) separate accounts, one for demand-side management programs (the “demand-side account”), **which shall be funded by the electric demand-side charge and administered and implemented by the distribution company, subject to the regulatory reviewing authority of the commission,** and one for renewable energy programs, which shall be administered by the Rhode Island commerce corporation pursuant to § 42-64-13.2 and shall be held and disbursed by the distribution company as directed by the Rhode Island commerce corporation for the purposes of developing, promoting, and supporting renewable energy programs. (Bolding added)

It is the Division’s opinion that these statutes simply do not authorize the Commission to order or to permit the Company to utilize the funds therein for residential electric winter bill credits. It seems clear that the Commission may certainly review the Company’s administration and implementation of the energy efficiency program and its funding. However, no statute authorizes the Commission to reach in and access the funds for residential electric bill credits.

Moreover, these funds would simply need to be immediately made up with a higher SBC charge than currently projected in the 2026 Program Year. While the letters of opposition from a multitude of parties and stakeholders to RI Energy’s energy efficiency 2026 budget reduction have not yet been filed within the current energy efficiency docket, they were certainly filed with the Energy Efficiency Council.[1] It is unclear whether the parties to Docket 25-37-EE have been noticed for the November 19th hearing in this matter and what they might say about deleting the fund balance.

2) Cost Recovery within Energy Efficiency Docket 25-37-EE

The Division does not support altering the 12-month recovery factor for energy efficiency funding. As noted in our letter dated August 8, 2025: “We note that customers often accumulate substantial arrearages during

[1] https://eec.ri.gov/event/eec-meeting-september-25-2025/
https://eec.ri.gov/event/eec-meeting-august-21-2025/

the winter moratorium and have concerns that shifting what would otherwise be winter charges to the summer rates would further exacerbate already difficult collections." In August, we further stated that the Last Resort Service Rates proposed for the winter heating season for 2025-2026 are 9% less than the winter season of 2024-2025. It is highly likely that winter electric rates (overall) in subsequent years will rise. As such, providing temporary artificial relief by adjusting the collection rates in the winter months, does not send the appropriate price signals.

3) Storm Replenishment Fund

The Division does not support liquidating the Storm Fund which has only reached a positive balance in October 2025, after having been in a negative, underfunded position (ratepayer liability) since 2011. The Storm Fund ended 2021 with an incredibly high negative balance of $146,958,691. Storm charges in 2022 and 2023 were substantially lower several preceding years, which allowed the fund to "catch up." Since we are only now heading into the winter months, it seems most likely that the Storm Fund will be needed. The most prudent course of action is to retain the funds set aside for storm restoration for their intended and necessary purposes.

4) Transmission-related Funds

The Division does not support liquidating any transmission-related liability for the same price signal reason set forth previously. Moreover, there is some question as to whether some of these funds are for the benefit of other transmission customers including the Block Island Utility District and Clear River Electric & Water.

5) Traditional Application of Regulatory Assets

Traditionally, regulatory assets are created when a utility has experienced: (1) unusual or long-term costs, (2) losses on abandoned assets, (3) deferred expenses, (4) extraordinary repairs from natural disasters. Creating a regulatory asset is preferable than imposing rate shock to customers for these extraordinary costs. The Division has been unable to find supporting caselaw or regulations that would support the creation of a regulatory asset for the Company to essentially serve as a creditor to its customers to cover customer bills incurred in the ordinary cost of business.

Respectfully Submitted:
RI Division of Public Utilities & Carriers
By its Attorney

/s/Margaret L. Hogan, (5006)

cc: Linda D. George, DPUC Administrator