



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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Memorandum

DATE: March 31, 2026

TO: Stephanie De La Rosa, Commission Clerk
Public Utilities Commission

FROM: John Bell, Chief Accountant
Division of Public Utilities and Carriers

SUBJECT: Docket No. 25-54-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy's FY 2026 Electric Infrastructure, Safety, and Reliability Plan

The Division of Public Utilities and Carriers ("Division") respectfully offers these comments on the revenue requirements associated with The Narragansett Electric Company's d/b/a Rhode Island Energy ("RIE" or "the Company") Fiscal Year 2027 Electric Infrastructure, Safety, and Reliability Plan ("ISR" or "Plan"). The Company submitted a compliance filing in the above docket on March 30, 2026 to reflect the Public Utilities Commission's ("Commission's") March 27, 2026 Open Meeting Decision.

The Compliance filing included the calculation of the ISR revenue requirements and associated factors. The Commission's Open Meeting Decision did not require any changes to the revenue requirements or ISR factors submitted in the Company's original filing on December 22, 2025. Section 4 of the original Plan provides a description of the revenue requirements calculation along with the supporting schedules, and Section 5 of the Plan includes the calculation of the proposed Capital Expenditures ("CapEx"), and Operations and Maintenance ("O&M") Factors and Section 6 illustrates the bill impacts of the proposed factors. The FY 2027 Plan includes, for the first time, an AMF cost recovery factor. The factor was addressed in Docket 26-08-EL and therefore is not addressed as part of this position memorandum.

The FY 2027 ISR Plan revenue requirements (exclusive of AMF) are shown in the table below.

Revenue Requirements

<u>Description</u>	<u>FY 2027 Proposed</u>
Operations and Maintenance Expense	\$ 14,265,000
Capital Investment (Exclusive of AMF)	\$ 59,747,715
Total Revenue Requirements	\$ 74,012,715

The table below provides a comparison of the current and proposed Residential ISR factors. The bill impact for a residential customer using 500kWh/month is an increase of \$1.09, exclusive of the impact of the Gross Earning Tax

Residential ISR Factors

<u>Proposed FY 2027 Factors</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
O&M Expense Factor	\$0.00223	\$0.00229	\$0.00006
CapEx Factor	\$0.00832	\$0.01044	\$0.00212
Total	\$0.01055	\$0.01273	\$0.00218

Conclusion and Recommendation

The Division reviewed the calculation of the revenue requirements and the development of the associated billing factors and concluded that the Company's calculations were accurate and made in accordance with the Infrastructure, Safety, and Reliability Provision of the Company's tariff. Accordingly, the Division recommends approval of the Company's proposed ISR factors, included in its compliance filing (Section 5, page 1), effective April 1, 2026.