



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS
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**To: Stephanie De La Rosa, Commission Clerk
Public Utilities Commission**

**From: Alfred Contente, Rate Analyst
Division of Public Utilities & Carriers**

Date: March 24, 2026

**Re: Docket No. 26-03-EL The Narragansett Electric Company – Last Resort Service
Rate Filing**

On January 21, 2026, The Narragansett Electric Company d/b/a Rhode Island Energy (“RIE” or “Company”) filed with the Public Utilities Commission (“Commission”) proposed Last Resort Service (“LRS”) rates effective April 1, 2026, together with the results of the Company’s most recent LRS procurement. As with prior LRS Rate filings, the Division has prepared this memo in response to the Company’s filing.

The Company submitted a Request for Confidential Treatment covering the detailed bid results. The Company submitted these confidential materials to the Division for review.

The Company’s filing included the following:

- A calculation of the LRS retail rates for the Residential, Commercial, and Industrial Groups for each month of the service period;
- A typical bill analysis for LRS for the Residential, Commercial, and Industrial Customer Groups;
- A copy of the Request for Proposal (“RFP”) issued on December 12, 2025 to solicit LRS supply for the period April 2026 through March 2028 for the Residential and Commercial Groups, and April 2026 through June 2026 for the Industrial Group;
- A redacted summary of the procurement process, and;

- Redacted versions of the executed confidential Amendment to the Master Power Agreement and Transaction Confirmations for April 2026 through March 2028 for the Residential and Commercial Group, and April 2026 through June 2026 for the Industrial Group.

Un-redacted versions of the Procurement Summary, an amendment to a Master Power Agreement, and Transaction Confirmations were supplied under separate cover.

Last Resort Service Procurement Plan Summary

Industrial Group

In its recent procurement, the Company procured 100% of the load for the period April 2026 through June 2026.

Commercial and Residential Groups

In its recent procurement, the Company procured 15% of the requirements for the commercial and residential groups for the 24-month period April 2026 through March 2028 period. This procurement brings the load requirements secured for the Commercial and residential groups for the April 2026 through September 2026 pricing period to 85%. The remaining 15% of the load will be procured in the spot market as the approved plan specifies.

Last Resort Service Proposed Rates and Trends

Industrial Group Rates

The LRS rates proposed for the Industrial Customer Group for the April 2026 through June 2026 period, including the current per-kWh Last Resort Adjustment Factor, the Last Resort Administrative Cost Factor, and Renewable Energy Charge, are:

- April 2026: \$0.09240/kWh
- May 2026: \$0.08517/kWh
- June 2026: \$0.09441/kWh

By comparison, the three-month average rate represents an increase of about 8% compared to the same three-month period of last year.

Commercial Rates

The fixed price option LRS rate proposed for the Commercial Customer Group for the April 2026 through September 2026 period, including the current per-kWh adjustment factors and the Renewable Energy Charge is:

- April 2026 – September 2026: \$0.09166/kWh

The proposed rate represents an increase of about 4% for the same six-month period in the previous year.

The variable price option proposed LRS rates for the Commercial Customer Group, including the current additional factors, are as follows:

- April 2026 \$0.08682/kWh
- May 2026 \$0.08101/kWh
- June 2026 \$0.08724/kWh
- July 2026 \$0.11153/kWh
- August 2026 \$0.09759/kWh
- September 2026 \$0.08243/kWh

Residential Rates

The LRS rate proposed for the Residential Customer Group for the April 2026 through September 2026 period, including the current per-kWh adjustment factors and Renewable Energy Charge, is:

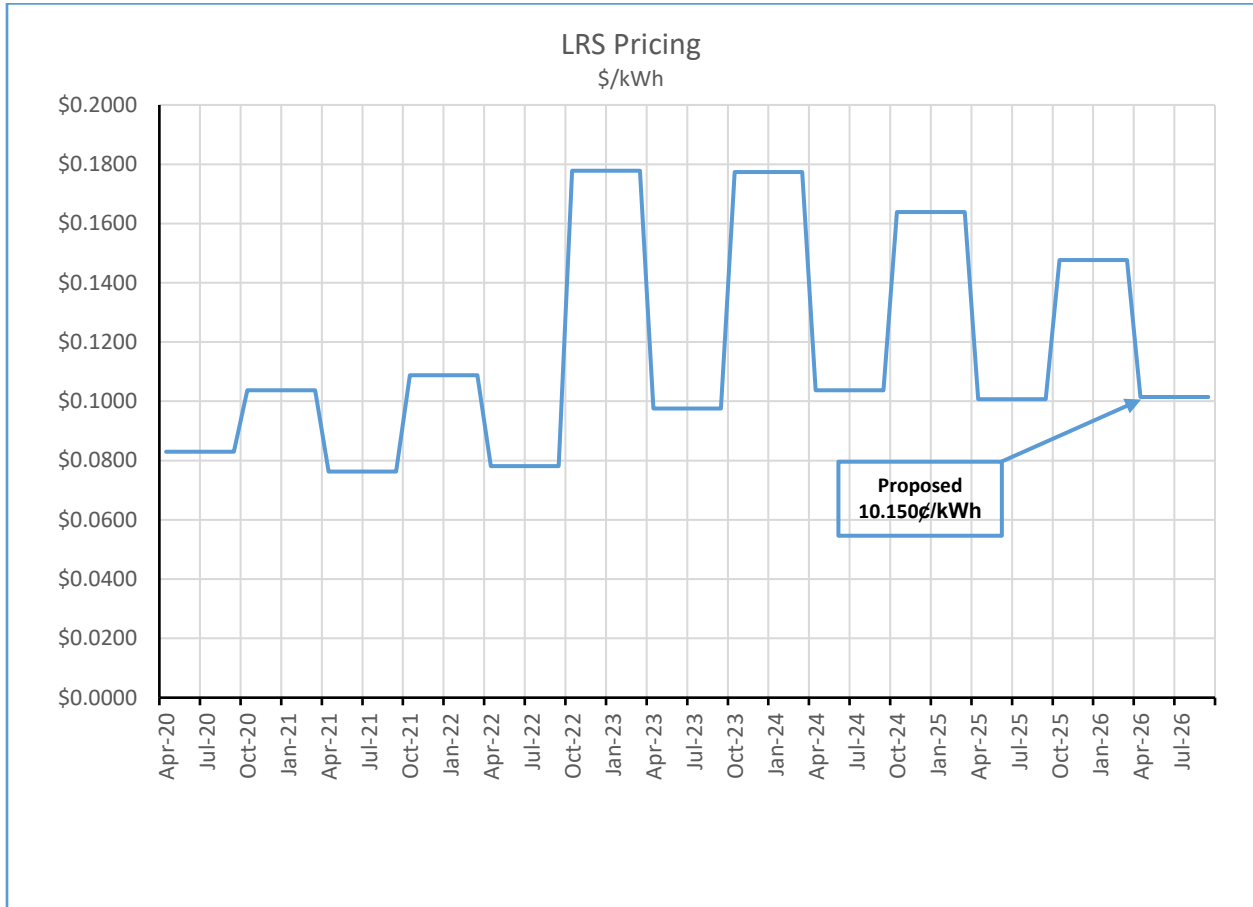
- April 2026 – September 2026: \$0.10150/kWh

The proposed rate represents a decrease of about 31% when compared with the current LRS rate. Compared to last year's April 2025 through September 2025 LRS average summer rate, the proposed rate represents an increase of about 1%.

Last Resort Service Rate Bill Impact

The trend over the last several years has been higher electric supply prices in the winter versus the summer season. The graph, G-1, on the following page shows this trend going back to the Spring of 2020.

G-1



As presented in Table 1, an A-16 residential customer using 500 kWh’s per month would see a \$24.06 or about 16% overall decrease in their monthly bill.

Table 1 – Residential A-16 Rate Class

Monthly kWh	Current Bill	Proposed Bill	Total Decrease	% Decrease
300	\$95.11	\$80.68	\$14.43	14.6%
500	\$151.58	\$127.52	\$24.06	15.9%
1200	\$349.21	\$291.46	\$57.75	16.7%

The proposed rates are the result of the Company following the approved procurement plan and obtaining competitive responses to its RFPs. The Company does not earn a profit on supply services.

Impact of Proposed LRS Adjustment Factors

In its filing, the Company presented the rates inclusive of the associated LRS adjustment factors in place at the time of the filing. After the Company's filing in this docket, it filed for new LRS Adjustment and Administrative Factors in its annual Retail Rate Filing (Docket 26-05-EL) and a new Renewable Energy Supply ("RES") Factor in its annual RES Reconciliation filing (Docket 26-07-EL). Attachment AC-1 is a table that provides a breakdown of the LRS rate components included in the Company's filing in this docket, along with the rate components currently under consideration in the dockets referenced above. This table for illustrative purpose to show the combined impact of all proposed April 1, 2026 rate changes affecting the LRS rate. As noted earlier, the only LRS rate component that is under consideration in this docket is the base charge.

Division Confirmation of Compliance

The Division finds that the power supply procurements undertaken by the Company and presented in this Docket comply with the approved Last Resort Service Procurement Plan. Additionally, the Division finds that the proposed Last Resort base charges contained in the Company's filing for Residential, Commercial, and Industrial customers are correctly calculated. Therefore, the Division recommends that the proposed Last Resort base charge be approved as filed.

Proposed LRS Base Rates w/ Current Factors and RES Charge
(¢/kWh)

	Res	Comm	Commercial Variable						Industrial		
	Fixed	Fixed	Monthly Rates						Monthly Rates		
	Apr - Sep	Apr - Sep	Apr	May	Jun	Jul	Aug	Sep	Apr	May	Jun
Base Charge	8.788	7.998	7.514	6.933	7.556	9.985	8.591	7.075	7.076	6.353	7.277
Adjustment	-0.355	-0.600	-0.600	-0.600	-0.600	-0.600	-0.600	-0.600	0.555	0.555	0.555
Administrative	0.256	0.307	0.307	0.307	0.307	0.307	0.307	0.307	0.148	0.148	0.148
RES	1.461	1.461	1.461	1.461	1.461	1.461	1.461	1.461	1.461	1.461	1.461
Last Resort Rate	10.15	9.166	8.682	8.101	8.724	11.153	9.759	8.243	9.24	8.517	9.441

Proposed LRS Base Rates w/ Proposed Factors and RES
Charge (¢/kWh)

	Res	Comm	Commercial Variable						Industrial		
	Fixed	Fixed	Monthly Rates						Monthly Rates		
	Apr - Sep	Apr - Sep	Apr	May	Jun	Jul	Aug	Sep	Apr	May	Jun
Base Charge	8.788	7.998	7.514	6.933	7.556	9.985	8.591	7.075	7.076	6.353	7.277
Adjustment	0.35	0.574	0.574	0.574	0.574	0.574	0.574	0.574	1.786	1.786	1.786
Administrative	0.35	0.309	0.309	0.309	0.309	0.309	0.309	0.309	0.295	0.295	0.295
RES	1.662	1.662	1.662	1.662	1.662	1.662	1.662	1.662	1.662	1.662	1.662
Last Resort Rate	11.15	10.543	10.059	9.478	10.101	12.53	11.136	9.62	10.819	10.096	11.02