280 Melrose Street Providence, RI 02907 Phone 401-784-7288



January 27, 2023

VIA HAND DELIVERY

Luly E. Massaro, Commission Clerk Rhode Island Public Commission 89 Jefferson Boulevard Warwick, RI 02888

RE: Docket No. 22-54-NG – The Narragansett Electric Company Proposed FY 2024 Gas Infrastructure, Safety, and Reliability Plan Supplemental Budget For April 1, 2023 through March 31, 2024

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company"), I have enclosed 10 copies of the Company's supplemental fiscal year ("FY") 2024 Gas Infrastructure, Safety, and Reliability Plan ("Gas ISR Plan") budget for the period April 1, 2023 through March 31, 2024. This filing is being made in compliance with the Rhode Island Public Utilities Commission's ("PUC") ruling during an Open Meeting that occurred on January 20, 2023. Please note that correlating Section 4 rate schedules will be filed on a later date (due February 3, 2023).

This supplemental filing consists of the following tables:

- Table 1a Supplemental: FY 2024 12-month budget (illustrated as a 9-month plus a 3-month budget and total budget);
- Table 1b Supplemental: Budget commentary for the 3-month period of January 1, 2024 through March 31, 2024; and
- Table 4 Supplemental: Forecasted Leak Prone Pipe Abandonment/ Rehabilitation and Installation Miles by Category FY 2024 12-Month Plan April March.

To comply with the PUC's Open Meeting decision, the Company revised the FY 2024 budget to reflect the 12-month period of April 1, 2023 through March 31, 2024 instead of the originally proposed 21-month period of April 1, 2023 through December 31, 2024 that it filed with the PUC on December 22, 2022 (originally referred to as the "21-Month Plan"). In doing so, the Company updated the budget for the 9-month period of April 1, 2023 through December 31, 2024 as set forth in the 21-Month Plan, and identified the planned work from the 21-Month Plan and the estimated costs for each category that would occur during the first three months of calendar year 2024 (i.e., January 1, 2024 through March 31, 2024), which also comprises the final three months of FY 2024. This breakdown is further illustrated in Table 1a – Supplemental and Table 1b – Supplemental.

As detailed in Table 1a – Supplemental, the Company is proposing a revised budget for FY 2024 of \$186.47 million in capital investment.

Luly E. Massaro, Commission Clerk Docket No. 22-54-NG –Supplemental Gas ISR FY2024 Budget January 27, 2024 Page 2 of 2

The revised revenue requirement, rate design, and bill impacts will be reflected in the Company's supplemental rate schedules that it will file on February 3, 2023.

The Gas ISR Plan continues to present an opportunity to facilitate and encourage investment in Rhode Island Energy's gas utility infrastructure and enhance Rhode Island Energy's ability to provide safe, reliable, and efficient gas service to customers.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

July Bus Hello-

Jennifer Brooks Hutchinson

Enclosure

cc: Docket 22-54-NG Service List Leo Wold, Esq. Al Mancini, Division John Bell, Division Rod Walker, Division

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 22-54-NG Proposed FY 2024 Gas Infrastructure, Safety, and Reliability Plan Section 2: Gas Capital Investment Plan Table 1a - Supplemental Page 1 of 1 -Month Plan

Table 1a - Supplemental RI Energy - Gas ISR - FY 2024 - 12-Month Plan

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Categories		FY 2024 Apr-Dec 9-Month Budget	FY 2024 Jan-Mar 3-Month Budget		FY 2024 Budget Total
NON-DISCRETIONARY		U	5		
Public Works					
CSC/Public Works - Non-Reimbursable	\$	18,040	\$ 5,585	\$	23,625
CSC/Public Works - Reimbursable	\$	1,099	\$ 273	\$	1,372
CSC/Public Works - Reimbursements	\$	(824)			(1,070)
Public Works Total	\$	18,315	\$ 5,612	\$	23,927
Mandated Programs					
Corrosion		1,434	\$ 100	\$	1,534
Purchase Meters (Replacement)	\$	5,910	\$ 1,185	\$	7,095
Reactive Leaks (CI Joint Encapsulation/Service Replacement)	\$	6,200	\$ 1,800	\$	8,000
Service Replacements (Reactive) - Non-Leaks/Other	\$ \$	1,298	\$ 450	\$	1,748
Main Replacement (Reactive) - Maintenance (incl Water Intrusion) Low Pressure System Elimination (Proactive)	\$ \$	867 1,300	\$ 300 \$ -	\$ \$	1,167 1,300
Transmission Station Integrity		4,201	\$ -	\$ \$	4,201
Pipeline Integrity - IVP - Wampanoag Trail Pipeline Replacement	\$	375	\$ 200	\$	575
Mandated Total	\$	21,585	\$ 4,035	\$	25,620
Damage / Failure (Reactive)					
Damage / Failure (Reactive)	\$	19	\$6	\$	25
NON-DISCRETIONARY TOTAL	\$	39,919	\$ 9,653	\$	49,572
DISCRETIONARY					
Proactive Main Replacement & Rehabilitation	ć	72.460	ć 0.050	ć	04.040
Main Replacement (Proactive) - Leak Prone Pipe	\$	72,160	\$ 8,850	\$	81,010
Main Replacement (Proactive) - Large Diameter LPCI Program Atwells Avenue	\$ \$	2,859 1,100	\$ 150 \$ -	\$ \$	3,009 1,100
Proactive Main Replacement Total		76,119	\$ 9,000	ې \$	85,119
Proactive Service Replacement	Ŷ	70,115	÷ 5,000	<i>Y</i>	03,115
Proactive Service Replacement Total	\$	459	\$ 100	\$	559
Reliability					
System Automation	\$	692	\$ 100	\$	792
Heater Installation Program	\$	5,006	\$-	\$	5,006
Wampanoag Trail & Tiverton GS - Heaters Replacement and Ownership Transfer	\$	190	\$-	\$	190
Take Station Refurbishment		1,064	\$ 100	\$	1,164
Pressure Regulating Facilities	\$	5,200	\$-	\$	5,200
Valve Installation/Replacement - Primary Valve Program &					
Aquidneck Island Low Pressure Valves		606	\$ -	\$	606
Gas System Reliability		2,520		\$	2,530
I&R - Reactive		1,052	\$ 350	\$	1,402
Distribution Station Over Pressure Protection	\$	2,410	\$ 10	\$	2,420
LNG Replace Pipe on Bridges	\$ \$	15,781 1,000	\$ 538 \$ 350	\$ \$	16,319 1,350
Access Protection Remediation		1,000 60	\$ 350 \$ -	> \$	1,350
Tools & Equipment	\$ \$	1,233	\$ 384	\$ \$	1,617
Weld Shop	\$	8,860	\$ -	\$	8,860
Reliability Total	\$	45,674	\$ 1,842	\$	47,516
SUBTOTAL DISCRETIONARY (Without Gas Expansion)		122,252	\$ 10,942	\$	133,194
Southern RI Gas Expansion Project					
Pipeline		-	\$-	\$	-
Other Upgrades/Investments	\$	-	\$ -	\$	-
Regulator Station Investment		3,650	\$ 50	\$	3,700
Southern RI Gas Expansion Project Total	\$	3,650	\$ 50	\$	3,700
DISCRETIONARY TOTAL (With Gas Expansion)		125,902	\$ 10,992	\$	136,894
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)		162,171	\$ 20,595	\$	182,766
CAPITAL ISR TOTAL (With Gas Expansion)	\$	165,821	\$ 20,645	\$	186,466
Notable Conital Projects Not Currently Included in the ISP	├──				
Notable Capital Projects Not Currently Included in the ISR	\$	500	ć	\$	F00
Old Mill Lane LNG - Cumberland Tank Replacement	\$ \$	500	\$ - \$ -	\$ \$	500 500
ENG - Cumbenand Tank Replacement	ې \$	1,000	\$ -	ې \$	1,000
Total	Ŷ	1,000		ب	1,000

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 22-54-NG Proposed FY 2024 Gas Infrastructure, Safety, and Reliability Plan Section 2: Gas Capital Investment Plan Table 1b - Supplemental ths of FY 2024) and its estimated cost by category Page 1 of 2

Table 1b - Supplemental RI Energy - Gas ISR - FY 2024 -12-Month Plan

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*The RI Energy Gas Team conducted a budgeting exercise to identify what planned work from the 21-Month Plan would occur between January - March 2024 (final 3 months of FY 2024) and its estimated cost by category. The table below includes a Budget Commentary column describing what work will occur during the January - March 2024 period.

Categories	FY 2024 Apr-Dec 9-Month Budget	FY 2024 Jan-Mar 3-Month Budget*	FY 2024 Budget Total	FY 2024 Jan-Mar Budget Commentary*
NON-DISCRETIONARY				
Public Works				
CSC/Public Works - Non-Reimbursable	\$ 18,040	\$ 5,585	. ,	
CSC/Public Works - Reimbursable	\$ 1,099	\$ 273	\$ 1,372	Abandonment of 5.6 miles of leak prone pipe
CSC/Public Works - Reimbursements	\$ (824)	\$ (246)	\$ (1,070) Anticipated reimbursements
Public Works Total	\$ 18,315	\$ 5,612	\$ 23,927	
Mandated Programs				
Corrosion	1 7 -	\$ 100	\$ 1,534	Work associated with 3 bridge inspections
Purchase Meters (Replacement)	\$ 5,910	\$ 1,185	\$ 7,095	Meters with a Jan-Mar projected delivery date
Reactive Leaks (CI Joint Encapsulation/Service Replacement)				Historical Jan-Mar spending + Anticipated increase in reported leaks from Cycle 3 leak
Reactive Leaks (CI Joint Encapsulation/Service Replacement)	\$ 6,200	\$ 1,800	\$ 8,000	survey of (historically higher than Cycles 1&2)
Service Replacements (Reactive) - Non-Leaks/Other	\$ 1,298	\$ 450	\$ 1,748	Historical Jan-Mar spending + current workload trends
Main Replacement (Reactive) - Maintenance (incl Water Intrusion)	\$ 867	\$ 300	\$ 1,167	Historical Jan-Mar spending averages
Low Pressure System Elimination (Proactive)	\$ 1,300	\$-	\$ 1,300	
Transmission Station Integrity	\$ 4,201	\$-	\$ 4,201	
Pipeline Integrity - IVP - Wampanoag Trail Pipeline Replacement	\$ 375	\$ 200	\$ 575	Procurement of materials
Mandated Total	\$ 21,585	\$ 4,035	\$ 25,620	
Damage / Failure (Reactive)				
Damage / Failure (Reactive)	\$ 19	\$6	\$ 25	Added monthly values to reach annual budget of \$25K
NON-DISCRETIONARY TOTAL	\$ 39,919	\$ 9,653	\$ 49,572	
DISCRETIONARY				
Proactive Main Replacement & Rehabilitation				
Main Panlagament (Propoting) Leght Prove Ding				Installation of 5.7 miles of replacement main
Main Replacement (Proactive) - Leak Prone Pipe	\$ 72,160	\$ 8,850	\$ 81,010	Abandonment of 13.5 miles of leak prone pipe
Main Replacement (Proactive) - Large Diameter LPCI Program	\$ 2,859	\$ 150	\$ 3,009	Design and preparation for upcoming field work
Atwells Avenue	\$ 1,100	\$-	\$ 1,100	
Proactive Main Replacement Total	\$ 76,119	\$ 9,000	\$ 85,119	
Proactive Service Replacement				
Proactive Service Replacement Total	\$ 459	\$ 100	\$ 559	Based on forecasted work

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 22-54-NG Proposed FY 2024 Gas Infrastructure, Safety, and Reliability Plan Section 2: Gas Capital Investment Plan Table 1b - Supplemental Page 2 of 2

Table 1b - Supplemental RI Energy - Gas ISR - FY 2024 -12-Month Plan (\$000)

*The RI Energy Gas Team conducted a budgeting exercise to identify what planned work from the 21-Month Plan would occur between January - March 2024 (final 3 months of FY 2024) and its estimated cost by category. The table below includes a Budget Commentary column describing what work will occur during the January - March 2024 period.

Categories	FY 2024 Apr-Dec 9-Month Budget		FY 2024 Jan-Mar 3-Month Budget*		FY 2024 Budget Total	FY 2024 Jan-Mar Budget Commentary*
Reliability						
System Automation						Based on forecasted work, which is tied to the volume of work in the Pressure
,	\$ 692		100	· ·		Regulating Facilities category
Heater Installation Program			-	\$	5,006	
Wampanoag Trail & Tiverton GS - Heaters Replacement and Ownership Transfer		<u> </u>	-	\$	190	
Take Station Refurbishment	\$ 1,064	\$	100	\$	1,164	Procurement of materials
Pressure Regulating Facilities	\$ 5,200	\$	-	Ś	5 200	9-Month budget decreased from \$6.32M to \$5.20M. Original budget was for 6 stations (plan of 5-7 stations), now determined to be 5 stations.
Valve Installation/Replacement - Primary Valve Program &	<i>y</i> 3,200	Ţ		Ŷ	5,200	
Aquidneck Island Low Pressure Valves	\$ 606	\$	-	\$	606	
Gas System Reliability	\$ 2,520	\$	10	\$	2,530	Project planning
I&R - Reactive	\$ 1,052	\$	350	\$	1,402	Based on historical spending + current workload trends
Distribution Station Over Pressure Protection	\$ 2,410	\$	10	\$	2,420	Project planning
						Exeter: \$0.22M - Control Room Upgrade initial building site prep; \$0.10M - Truck
LNG						Station Upgrade design work; \$0.02M - Critical Spares
LING						Cumberland: \$0.02M - Critical Spares
	\$ 15,781	\$	538	\$	16,319	Newport Navy Yard: \$0.06M - Engineering and Design
Replace Pipe on Bridges	\$ 1,000	\$	350	\$	1,350	Design and procurement of materials
Access Protection Remediation	\$ 60	\$	-	\$	60	
Tools & Equipment						Based on planned spending activity. \$0.36M for Standard Tools & Equipment; \$0.03
roois & Equipment	\$ 1,233	\$	384	\$	1,617	for Meter Testing Equipment.
Weld Shop	\$ 8,860	\$	-	\$	8,860	
Reliability Total	. ,		1,842	\$	47,516	
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$ 122,252	\$	10,942	\$	133,194	
Southern RI Gas Expansion Project						
Pipeline		\$	-	\$	-	
Other Upgrades/Investments		\$	-	\$	-	
Regulator Station Investment			50	\$		Procurement of materials for New Regulator Station Near Cowesett
Southern RI Gas Expansion Project Total	. ,		50	\$	3,700	
DISCRETIONARY TOTAL (With Gas Expansion)		-			136,894	
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)			20,595	\$	182,766	
CAPITAL ISR TOTAL (With Gas Expansion)	\$ 165,821	\$	20,645	\$	186,466	
Notable Capital Projects Not Currently Included in the ISR						
						9-Month budget decreased from \$5.00M to \$0.50M as proposed site work has gone
Old Mill Lane						into redesign at request of RIDEM; proposed site work would now occur in FY 2025 if
	\$ 500	\$	-	\$	500	approved by RIDEM and EFSB.
LNG - Cumberland Tank Replacement	\$ 500	\$	-	\$	500	
Total	\$ 1,000	\$	-	\$	1,000	

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 22-54-NG Proposed FY 2024 Gas Infrastructure, Safety, and Reliability Plan Section 2: Gas Capital Investment Plan Table 4 - Supplemental Page 1 of 1

Table 4 - SupplementalForecasted Leak Prone Pipe Abandonment/ Rehabilitation and
Installation Miles by Category

FY 2024 12-Month Plan - April - March

Category	Abandonment/ Rehabilitation Miles	Installation Miles
NON-DISCRETIONARY		
Public Works	14.0	14.0
Mandated Programs		
Low Pressure System Elimination (Proactive)	0.0	1.0
DISCRETIONARY		
Proactive Main Replacement & Rehabilitation		
Proactive Main Replacement - LPP	53.0	52.6
CI Lining - Rehabilitation	0.0	0.0
CISBOT - Rehabilitation	0.7	0.0
Atwells Avenue	0.3	0.3
Reliability		
Gas System Reliability	1.5	1.6
Reinforcement	0.7	0.0
Total Rehabilitation	0.7	0.0
Total Leak Prone Pipe Abandonment/ Installation	69.5	69.5
Total Rehabilitation and LPP Abandonment	70.2	69.5

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

January 27, 2023 Date

No. 22-54-NG- RI Energy's Gas Infrastructure, Safety and Reliability (ISR) Plan 2024 - Service List 1/10/2023

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