

**STATE OF RHODE ISLAND**  
**PUBLIC UTILITIES COMMISSION**

**IN RE: RHODE ISLAND ENERGY'S )**  
**FY 2024 GAS INFRASTRUCTURE ) DOCKET NO. 22-54-NG**  
**SAFETY, AND RELIABILITY PLAN )**

**SURREBUTTAL TESTIMONY**

**OF**

**ALBERICO MANCINI**

**March 8, 2023**

1 I. **INTRODUCTION**

2

3 Q. **PLEASE STATE YOUR NAME AND THE BUSINESS ADDRESS OF YOUR**  
4 **EMPLOYER.**

5 A. My name is Alberico Mancini. I am employed by the Rhode Island Division of Public  
6 Utilities and Carriers (“Division”). The Division is located at 89 Jefferson Blvd., Warwick,  
7 Rhode Island 02888.

8

9 Q. **ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS MATTER?**

10 A. I am testifying on behalf of the Division.

11

12 Q. **HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS DOCKET?**

13 A. Yes. On February 14, 2023, I submitted Direct Testimony in this docket on behalf of the  
14 Division.

15

16 Q. **HAVE THERE BEEN ANY DEVELOPMENTS IN THIS MATTER SINCE YOU**  
17 **FILED YOUR DIRECT TESTIMONY?**

18 A. Yes. On February 28, 2023, the Company filed its Rebuttal Testimony. After reviewing  
19 that testimony, the Division and the Company held settlement discussions in an attempt to  
20 resolve the outstanding issues in this docket.

21

1 **Q. WHAT WAS THE OUTCOME OF THE DIVISION'S DISCUSSIONS WITH THE**  
2 **COMPANY?**

3 A. The Division and Company were able to resolve the outstanding issues in this matter.  
4

5 **Q. PLEASE SUMMARIZE HOW THOSE ISSUES HAVE BEEN RESOLVED**  
6 **BETWEEN THE DIVISION AND THE COMPANY.**

7 A. The Company and the Division have agreed as follows:

8 1. Total installation miles have been reduced to 65 miles, a 4.5 mile reduction along  
9 with a 0.7 mile increase in the Large Diameter LPCI Program;

10 2. The Weld Shop and all associated costs have been removed from the FY 2024 Gas  
11 ISR Plan. The Division and the Company agree that cost recovery for the Weld Shop  
12 may be requested by the Company in their next base rate case; and

13 3. The Tools and Equipment category has been reduced by \$583 K. The Company may  
14 include costs for certain specialty tools identified in the Company's Rebuttal  
15 Testimony in the Company's FY 2023 Gas ISR Reconciliation filing.  
16

17 **Q. HOW DOES THE RESOLUTION OF THE OUTSTANDING ISSUES IMPACT**  
18 **THE COMPANY'S PROPOSED FY 2023 GAS ISR BUDGET?**

19 A. The total agreed FY 2024 Gas ISR budget is \$170.714 M, a reduction of \$15.752 M from  
20 the Company's proposed 12-month FY 2024 Gas ISR budget of \$186.466 M. A copy of  
21 the agreed to FY 2024 Gas ISR budget is attached hereto and marked "Table 1a –  
22 Supplemental."

1 **Q. HOW DOES THE AGREED TO BUDGET COMPARE TO LAST YEAR'S FY 2023**  
2 **APPROVED BUDGET?**

3 A. The total agreed to FY 2024 ISR budget of \$170.714 M is \$4.941 M less than last year's  
4 FY 2023 approved budget of \$175.655 M.

5

6 **Q. PLEASE DISCUSS THE AGREEMENT RELATING TO THE REDUCTION IN**  
7 **TOTAL INSTALLATION MILES IN GREATER DETAIL.**

8 A. Based on the Company's explanation in its Rebuttal Testimony and upon reviewing  
9 updated abandonment miles through February 2023, the Division agreed to a 4.5 mile  
10 decrease in total installation miles from the original 69.5 miles proposed by the Company.  
11 This resulted in a \$7.294 M decrease to the original budget. The Company has taken  
12 advantage of the warm winter and has increased its abandonment miles to 52.6 miles  
13 through February 25, 2023. The Company is better situated to achieve its goal of 65  
14 abandonment miles by March 31, 2023. The Division believes that 65 installation miles  
15 for FY 2024 is a reasonable goal and will keep pace with the Company's plan to abandon  
16 65-70 miles of leak prone main per year.

17

18 **Q. WHY DID THE DIVISION AGREE TO INCREASE THE LARGE DIAMETER**  
19 **LPCI REHABILITATION PROGRAM?**

20 A. The Company has been very successful in completing Large Diameter LPCI Projects  
21 through the "CISBOT" method of rehabilitating large diameter leak prone main due to  
22 contractor availability. CISBOT work on Large Diameter LPCI projects is performed by

1 an independent company. The work requires minimal resources from RIE or its main  
2 replacement contractors. Increasing the number of miles in this category results in a  
3 \$985,000 increase to the original budget. Completing an additional 0.7 miles is reasonable  
4 and should not affect the Company's ability to install 65 miles of main through its main  
5 replacement programs.

6  
7 **Q. DID THE COMPANY AND THE DIVISION RESOLVE THE "NOTICE ISSUE"**  
8 **DISCUSSED IN THE DIVISION'S DIRECT TESTIMONY?**

9 A. Yes. The Division is amenable to the proposal discussed in the Company's Rebuttal  
10 Testimony, namely that the Company will "include a separate sub-section in any future  
11 quarterly reports to specifically identify capital investments greater than \$2 million for a  
12 'new' ISR category that was not previously reviewed and approved by the Commission,  
13 and which the Company intends to move forward with as ISR eligible spending."<sup>1</sup>

14  
15 **Q. DID THE COMPANY AND THE DIVISION REACH AGREEMENT**  
16 **REGARDING MR. WALKER'S RECOMMENDATIONS?**

17 A. Yes. The Division and the Company agreed that the Company will continue to closely  
18 monitor leak receipts and will re-evaluate the effectiveness of its replacement programs to  
19 ensure that the riskiest leak prone mains and services are being replaced.

20  

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<sup>1</sup> Company Rebuttal Testimony at 20.

1 **Q. ARE THERE ANY OTHER PARTS OF THE SETTLEMENT THAT YOU WISH**  
2 **TO MENTION?**

3 A. Yes. As discussed in the Memorandum of Mr. Effron, the Company and the Division  
4 reached an agreement that holds customers harmless from the effect of ADIT elimination  
5 on the FY 2024 ISR revenue requirement.

6

7 **Q. DOES THE DIVISION BELIEVE THAT THIS SETTLEMENT IS IN THE BEST**  
8 **INTEREST OF RATEPAYERS?**

9 A. Yes.

10

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes.

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

Categories	FY 2024 Budget Total	Company Counter Budget Reductions 03/02/23	Potential Resulting Budget 03/02/23
<b>NON-DISCRETIONARY</b>			
<b>Public Works</b>			
<i>CSC/Public Works - Non-Reimbursable</i>	\$ 23,625	\$ (6,750)	\$ 16,875
<i>CSC/Public Works - Reimbursable</i>	\$ 1,372		\$ 1,372
<i>CSC/Public Works - Reimbursements</i>	\$ (1,070)		\$ (1,070)
<b>Public Works Total</b>	\$ 23,927	\$ (6,750)	\$ 17,177
<b>Mandated Programs</b>			
<i>Corrosion</i>	\$ 1,534		\$ 1,534
<i>Purchase Meters (Replacement)</i>	\$ 7,095		\$ 7,095
<i>Reactive Leaks (Cl Joint Encapsulation/Service Replacement)</i>	\$ 8,000		\$ 8,000
<i>Service Replacements (Reactive) - Non-Leaks/Other</i>	\$ 1,748		\$ 1,748
<i>Main Replacement (Reactive) - Maintenance (incl Water Intrusion)</i>	\$ 1,167		\$ 1,167
<i>Low Pressure System Elimination (Proactive)</i>	\$ 1,300		\$ 1,300
<i>Transmission Station Integrity</i>	\$ 4,201		\$ 4,201
<i>Pipeline Integrity - IVP - Wampanoag Trail Pipeline Replacement</i>	\$ 575		\$ 575
<b>Mandated Total</b>	\$ 25,620	\$ -	\$ 25,620
<b>Damage / Failure (Reactive)</b>			
<i>Damage / Failure (Reactive)</i>	\$ 25	\$ -	\$ 25
<b>NON-DISCRETIONARY TOTAL</b>	\$ 49,572	\$ (6,750)	\$ 42,822
<b>DISCRETIONARY</b>			
<b>Proactive Main Replacement &amp; Rehabilitation</b>			
<i>Main Replacement (Proactive) - Leak Prone Pipe</i>	\$ 81,010	\$ (544)	\$ 80,466
<i>Main Replacement (Proactive) - Large Diameter LPCI Program</i>	\$ 3,009	\$ 985	\$ 3,994
<i>Atwells Avenue</i>	\$ 1,100		\$ 1,100
<b>Proactive Main Replacement Total</b>	\$ 85,119	\$ 441	\$ 85,560
<b>Proactive Service Replacement</b>			
<b>Proactive Service Replacement Total</b>	\$ 559	\$ -	\$ 559
<b>Reliability</b>			
<i>System Automation</i>	\$ 792	\$ -	\$ 792
<i>Heater Installation Program</i>	\$ 5,006	\$ -	\$ 5,006
<i>Wampanoag Trail &amp; Tiverton GS - Heaters Replacement and Ownership Transfer</i>	\$ 190	\$ -	\$ 190
<i>Take Station Refurbishment</i>	\$ 1,164	\$ -	\$ 1,164
<i>Pressure Regulating Facilities</i>	\$ 5,200	\$ -	\$ 5,200
<i>Valve Installation/Replacement - Primary Valve Program &amp; Aquidneck Island Low Pressure Valves</i>	\$ 606	\$ -	\$ 606
<i>Gas System Reliability</i>	\$ 2,530	\$ -	\$ 2,530
<i>I&amp;R - Reactive</i>	\$ 1,402	\$ -	\$ 1,402
<i>Distribution Station Over Pressure Protection</i>	\$ 2,420	\$ -	\$ 2,420
<i>LNG</i>	\$ 16,319	\$ -	\$ 16,319
<i>Replace Pipe on Bridges</i>	\$ 1,350	\$ -	\$ 1,350
<i>Access Protection Remediation</i>	\$ 60	\$ -	\$ 60
<i>Tools &amp; Equipment</i>	\$ 1,617	\$ (583)	\$ 1,034
<i>Weld Shop</i>	\$ 8,860	\$ (8,860)	\$ -
<b>Reliability Total</b>	\$ 47,516	\$ (9,443)	\$ 38,073
<b>SUBTOTAL DISCRETIONARY (Without Gas Expansion)</b>	\$ 133,194	\$ (9,002)	\$ 124,192
<b>Southern RI Gas Expansion Project</b>			
<i>Pipeline</i>	\$ -	\$ -	\$ -
<i>Other Upgrades/Investments</i>	\$ -	\$ -	\$ -
<i>Regulator Station Investment</i>	\$ 3,700	\$ -	\$ 3,700
<b>Southern RI Gas Expansion Project Total</b>	\$ 3,700	\$ -	\$ 3,700
<b>DISCRETIONARY TOTAL (With Gas Expansion)</b>	\$ 136,894	\$ (9,002)	\$ 127,892
<b>CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)</b>	\$ 182,766	\$ (15,752)	\$ 167,014
<b>CAPITAL ISR TOTAL (With Gas Expansion)</b>	\$ 186,466	\$ (15,752)	\$ 170,714
<b>Notable Capital Projects Not Currently Included in the ISR</b>			
<i>Old Mill Lane</i>	\$ 500	\$ -	\$ 500
<i>LNG - Cumberland Tank Replacement</i>	\$ 500	\$ -	\$ 500
<b>Total</b>	\$ 1,000	\$ -	\$ 1,000