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September 29, 2023

VIA ELECTRONIC MAIL

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

**RE: Docket No. 22-53-EL – FY2024 Electric Infrastructure, Safety, and Reliability Plan
Quarterly Update – First Quarter Ending June 30, 2023
Corrected Response to PUC 6-5**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy, I have enclosed an electronic version of the Company's corrected response to data request PUC 6-5 in the above-referenced docket related to the Company's quarterly update for the first quarter ending June 30, 2023.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosure

cc: Docket 22-53-EL Service List

PUC 6-5 – Corrected, page 1

Request:

Referring to Attachment E and the project identified as “3763 Pole Replacements,” please provide a description of the project and a more detailed explanation of why the deferral occurred. Please also provide a schedule showing:

- (a) the original spending estimate for FY 2023 that was included in the approved budget for FY 2023,
- (b) the actual spending that occurred in FY 2023,
- (c) the original spending estimate that was approved for FY 2024,
- (d) a forecast of spending for FY 2024, and
- (e) the difference between column (a) and column (d).

Initial Response

The Company performed an assessment on the 3763 line, which identified structural deficiencies and asset condition issues. This is a 69 kV line that runs from the Jepson Substation in Middletown, through the Newport Naval Station, to the Gate 2 Substation on the Naval Station. The assessment recommended replacement of ten structures and elimination of an eleventh, with six being within the secure area of the Naval Station. The Company planned to complete construction in FY2023.

The United States Navy required additional approvals that complicated Historic (SHPO, RIHPHC & Tribal) and environmental permitting. In addition, securing access to the secure area of the Naval Station for multiple contractors was more time consuming than the Company originally anticipated. As a result of these delays, the Company had to reschedule construction and the outage from early spring 2023 to fall 2023. Construction is on-going and scheduled to be in-service in October 2023.

The table below shows the FY2023 budget, column (a), as well as current FY2024 forecast, column (d). The Company included column (b) to the equation in column (e) to show the difference between the original estimate for the project and the forecasted spend. The project estimate is \$1,250,000, and the current forecast is \$1,292,000.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-53-EL

In Re: FY 2024 Electric Infrastructure, Safety and Reliability Plan
Quarterly Report - First Quarter Ending June 30, 2023
Responses to the Commission's Sixth Set of Data Requests
Issued on August 23, 2023

PUC 6-5 – Corrected, page 2

<u>Project Name</u>	<u>(a)</u> <u>FY 2023</u> <u>Budget</u>	<u>(b)</u> <u>FY 2023</u> <u>Actuals</u>	<u>(c)</u> <u>FY 2024</u> <u>Budget</u>	<u>(d)</u> <u>FY 2024</u> <u>Forecast</u>	<u>(e)</u> <u>Difference</u> <u>(a) - (d) + (b)</u>
3763 Line Structure Replacement	\$1,250,000	\$271,150	\$783,000	\$1,292,000	\$42,000

Corrected Response:

An assessment was performed on the 3763 line, which identified structural deficiencies and asset condition issues. This is a 69 kV line that runs from the Jepson Substation in Middletown, through the Navy 1 Substation, to the Gate 2 Substation on the Navy base. This assessment recommended replacement of ten structures and elimination of an eleventh, with six within the secure area of the Navy base. The original plan was to complete construction in FY 2023.

Historic (SHPO, RIHPHC & Tribal) and environmental permitting were complicated by the additional approvals needed from the US Navy. Additionally, gaining access to the secure area of the Navy base, for multiple contractors, was more time consuming and difficult than originally anticipated. After design completion, the Navy required foundation removal. As a result of these delays, as well as materials delays and resulting additional project scope, construction had to be rescheduled from FY 2023 to FY 2024. Construction is on-going and expected to be completed in early October 2023.

Please see the schedule below. The Company has revisited the FY 2024 forecast since submitting the Q1 Report:

<u>Project Name</u>	<u>(a)</u> <u>FY 2023</u> <u>Budget</u>	<u>(b)</u> <u>FY 2023</u> <u>Actuals</u>	<u>(c)</u> <u>FY 2024</u> <u>Budget</u>	<u>(d)</u> <u>EAC Forecast</u> <u>(FY23 Actuals</u> <u>and FY24 Forecast)</u>	<u>(e)</u> <u>Difference</u> <u>(a) - (d)</u>
3763 Line Structure Replacement	1,250,000	\$271,150	\$783,000	\$1,760,500	(\$510,500)

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-53-EL

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PUC 6-5 – Corrected, page 3

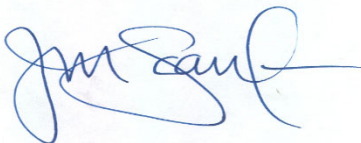
The table below discusses the major variances encountered on this project.

Scope Changes	Variance (\$)
During the design, access to the secure portion of the Navy property was restricted. As a result, the team assumed that rock would not be encountered. There were additional costs for rock encountered.	\$82,800
After construction started, the Navy identified that construction would impact the International Sea Symposium on the base and would not consent to an outage on the Navy's distribution line during that time period. This caused the contractor to demobilize from the base for a week.	\$49,300
Foundation removal scope was added to the project. When the project was developed, the plan was to retire foundations in place. This was originally communicated and consistent with what was done for the structure that was replaced in 2021. When the final design packages were presented to the Navy for approval, the Navy imposed additional requirements to remove foundations and to develop an additional Soil Management Plan (SMP). These additional requirements resulted in additional project scope.	\$41,300
Contaminated soil was a known risk, as it was encountered during the 2021 structure replacement. The original budget assumed \$30k would cover contaminated soil removals. The actual costs (\$58.1k) exceeded the risk allocation.	\$28,100
Project Delays due to US Navy approval, Historic and Environmental permitting, Base Access, Scope Changes, and materials delays.	
Project and Construction Management Labor for multiple replans associated with the delays discussed above.	\$189,120
Additional AFUDC associated with the delay	\$20,100
Total Value of Major Variances	\$410,720

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

September 29, 2023
Date

**Docket No. 22-53-EL – RI Energy’s Electric ISR Plan FY 2024
Service List as of 8/24/2023**

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