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February 16, 2024

VIA ELECTRONIC MAIL

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

**RE: Docket No. 23-49-NG – The Narragansett Electric Company d/b/a
Rhode Island Energy’s Proposed FY 2025 Gas Infrastructure, Safety, and
Reliability Plan
Response to Data Request – Division 1-45**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), enclosed is Rhode Island Energy’s response to Division 1-45 in connection with the above-referenced matter.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson".

Jennifer Brooks Hutchinson

Enclosure

cc: Docket No. 23-49-NG Service List

The Narragansett Electric Company
d/b/a Rhode Island Energy
In Re: Proposed FY 2025 Gas Infrastructure, Safety and Reliability Plan
Responses to the Division's First Set of Data Requests
Issued on November 16, 2023

Division 1-45

Request:

Please provide the Company's Gas ISR Plan Quarterly Report Update ending December 31, 2023 no later than February 15, 2023.

Response:

Please see Attachment DIV 1-45 for a copy of the Company's FY 2024 Gas ISR Plan Quarterly Report for the third quarter ending December 31, 2023, which the Company filed with the Rhode Island Public Utilities Commission on February 15, 2024.

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Gas Infrastructure, Safety, and Reliability Plan

The Narragansett Electric Company

FY2024 Quarterly Update

Third Quarter – Ending December 31, 2023

Executive Summary

Fiscal year (“FY”) 2024 Gas Infrastructure, Safety, and Reliability (“Gas ISR Plan” or the “Plan”) third quarter results (Attachment A) reflect that the Company¹ has spent approximately \$133.63 million of an estimated year-to-date (“YTD”) budget of \$142.70 million, resulting in a third quarter underspending variance of \$9.08 million. The total spending of \$133.63 million (see Attachments A & B) is comprised of \$131.89 million for the Gas ISR Plan, excluding the Southern Rhode Island Gas Expansion Project (“Gas ISR”) and \$1.73 million for the Southern Rhode Island Gas Expansion Project (“Southern RI Gas Expansion Project”). To date, the \$133.63 million of actual spending represents 82 percent of the total FY2024 annual Gas ISR Plan budget of \$163.42 million. As of December 31, 2023, the forecasted total year-end spend was \$154.37 million, which was \$9.05 million below the total budget of \$163.42 million.

The Gas ISR (excluding the Southern RI Gas Expansion Project) spending through the third quarter of \$131.89 million includes actual spending of \$43.35 million out of an estimated YTD budget of \$34.50 million for Non-Discretionary work, resulting in a third quarter greater than budget variance of \$8.85 million. In addition, the spending through the third quarter includes actual spending of \$88.55 million of an estimated YTD budget of \$104.92 million on Discretionary work (excluding the Southern RI Gas Expansion Project), resulting in an underbudget variance of \$16.37 million. As of December 31, 2023, the forecasted year-end

¹ The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”).

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spend for Gas ISR (excluding the Southern RI Gas Expansion Project) was \$152.64 million, which was \$7.08 million below the annual budget.

Through the third quarter, the Southern RI Gas Expansion Project has incurred spending of \$1.73 million out of an estimated YTD budget of \$3.29 million, resulting in a third quarter underspending variance of \$1.55 million. As of December 31, 2023, the forecasted year-end spend was \$1.73 million, which was \$1.97 million below the annual budget for the Southern RI Gas Expansion Project. Forecasted underspending in the Regulator Station Investment category, due to the timing of work, is the primary driver of the projected underspending.

Across the entire Gas ISR Plan, including the Southern RI Gas Expansion Project, as of December 31, 20223, the forecasted year-end spend was \$154.37 million or \$9.05 million below the total annual budget of \$163.42 million.

Reactionary Main Replacement – Project Tracking

In response to the Rhode Island Public Utilities Commission's ("PUC") questions concerning the categorization of certain project spending in this docket, the Company reviewed all FY2024 main replacement jobs being completed for reactionary reasons (i.e., leak prone pipe being replaced ahead of municipal paving, poor pipe condition observed in the field and required replacement of pipe as soon as feasible, or third-party encroachment). Where appropriate, the Company is reporting the spending and forecast for those projects under categories that accurately reflect the reason for project advancement even if the initial project scoping and workorder setup originated in another category. The affected categories are: Public Works, Main Replacement (Reactive) – Maintenance (incl Water Intrusion) & Leak Prone Pipe, Main Replacement (Proactive) – Leak Prone Pipe, and Replace Pipe on Bridges. The result of these project recategorizations is that \$11.61 million of FY2024 YTD Actual Spend, from 14 projects, is now being reported under Public Works instead of Main Replacement (Proactive) – Leak

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Prone Pipe. Additionally, \$3.47 million of FY2024 YTD Actual Spend is being reported under Main Replacement (Reactive) - Maintenance (incl Water Intrusion) & Leak Prone Pipe, instead of Main Replacement (Proactive) – Leak Prone Pipe (six projects totaling \$3.46 million YTD) and Replace Pipe on Bridges (one project totaling \$0.01 million YTD). For the most part, these project recategorizations result from the fact that the Company had set up initial workorders for such projects during the scoping phase under the Main Replacement (Proactive) – Leak Prone Pipe category but the projects were not on the FY2024 workplan list as a proactive project. During FY2024, the Company advanced the projects into FY2024 based on external and uncontrollable factors (see examples described above). In the past, the Company would have completed the work and continued to report these types of projects under Main Replacement (Proactive) – Leak Prone Pipe (or Replace Pipe on Bridges) because that is how the initial workorder was set up. In order to provide more clarity, the Company is reporting the affected projects under a reactionary category instead of a proactive category where appropriate. The table below provides a summary of the category reclassifications, including the project count, YTD spending, and reactionary reasons the projects were advanced into FY2024.

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Table A

Table A (\$000)

From	To	Reactionary Reason Project Advanced into FY2024	Project Count	YTD Spending Through Q3 FY2024
Main Replacement (Proactive) - Leak Prone Pipe	CSC/Public Works - Non-Reimbursable	Ahead of 3rd Party	1	\$ 13
		Ahead of Paving	7	\$ 4,141
		Ahead of RIDOT Paving	3	\$ 4,945
		Encroachment	3	\$ 2,513
Public Works Total			14	\$ 11,612
Main Replacement (Proactive) - Leak Prone Pipe	Main Replacement (Reactive) - Maintenance & Leak Prone Pipe	Rush Main	3	\$ 1,780
		Active Leaks	3	\$ 1,678
Replace Pipe on Bridges	Main Replacement (Reactive) - Maintenance & Leak Prone Pipe	Rush Main	1	\$ 12
Reactive Main Replacement Total			7	\$ 3,471
Total Recategorizations			21	\$ 15,083

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FY2024 Capital Spending by Category

Non-Discretionary Work²

Public Works Program – \$11.10 million variance over year-to-date budget

Through the third quarter of FY2024, the Company spent \$25.50 million, net reimbursements, against a projected year-to-date budget of \$14.40 million for the Public Works program, resulting in an overbudget variance of \$11.10 million. To date, for FY2024, the Company has installed 17.6 miles against a plan of 8.5 miles of new replacement gas main and abandoned 13.7 miles of a plan of 9.0 miles of leak-prone pipe through the Public Works program. As of the end of the third quarter, the Public Works Program category was forecasted to be overbudget by \$11.76 million at fiscal year-end, net reimbursements.

In addition to the recategorizations mentioned above, the Company has also observed an increase in the volume of Public Works project requests received in FY2024 and is coordinating with municipal and state agencies and other utilities to complete the Company's work (i.e. main replacement) ahead of the actual roadway project (i.e. town paving); the public works project requests that have been received may be completed in FY2024 or FY2025, or later, depending on a variety of scheduling factors.

Mandated Programs – \$2.24 million underspending variance to budget year-to-date

Through the third quarter of FY2024, the Company has spent \$17.85 million of a projected YTD budget of \$20.08 million for Mandated Programs, resulting in an underspending variance of \$2.24 million. The primary drivers of the underspend in the Mandated categories are lower than

² Non-Discretionary programs include projects that are required by legal, regulatory code, and/or agreement, or are the result of damage or failure, with limited exceptions.

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anticipated costs in the Corrosion, Purchase Meter (Replacement), Low Pressure System Elimination, and Transmission Station Integrity categories. However, those underspending variances are partially offset by higher than anticipated YTD costs in the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe, Service Replacement (Reactive) – Non-Leak/Other, and Reactive Leaks categories. For Corrosion, the spending through Q3 and the full year forecast are lower than budget for two main reasons. First, there have been permitting challenges with respect to the work on the Division Street bridge in Pawtucket and it will likely be deferred into FY2025 as a result. Second, the Company is actively working to schedule and complete pipe repairs over Amtrak railways but there is uncertainty that all of the work will be completed in FY2024. The Purchase Meter (Replacement) spending through Q3 was lower than budget as the Company received fewer meters from vendors than were expected and the Company is forecasting to be underbudget in this category by \$2.54 million at fiscal year-end. The Company is actively working with its vendors to remedy the lower volume of meter inventories through the remainder of FY2024 and into FY2025. The Low Pressure System Elimination category is underbudget YTD and forecasted to be underbudget at fiscal year-end due to the timing of project work, which will likely see a portion of the work in Middletown carryover into FY2025. The Transmission Station Integrity category is underbudget YTD and is forecasted to be underbudget by \$2.06 million at fiscal year-end due to the timing of the multi-year Scott Road Take Station Replacement project. The Company anticipates that some longer lead time project materials will now arrive, and costs will be incurred, in April 2024 (Q1 FY2025) instead of FY2024.

Those actual underspending variances are mostly offset by spending greater than budget in the Service Replacement (Reactive) – Non-Leaks/Other category through which the Company has been completing an increased volume of compliance related work on services. The spending in the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe category is greater than forecasted in the original budget, which had been based on the historical actual costs reported in

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this category. A summary of the reactionary projects that have been recategorized from Main Replacement (Proactive) – Leak Prone Pipe into the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe is included in Table A, above. Additionally, the Cumberland Hill Road area projects, which is forecasted to spend \$0.80 million is being tracked under the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe category. The Company is underway with installing the approximately 1.5 miles of replacement gas main on the Park Place portion of the project and may have that main fully installed, gassed in, and begin services work prior to the end of FY2024. The Company anticipated that an additional 2.5 to 3.0 miles will be installed, and \$5.09 million will be spent, in FY2025. Finally, YTD actual spending in the Reactive Leaks category is \$0.14 million greater than the YTD budget and is forecasted to end the fiscal-year \$0.14 million over budget.

In June 2021, the Company, in collaboration with the Rhode Island Division of Public Utilities and Carriers (“Division”), developed and implemented a plan to continuously improve the Company’s tracking of its meter inventory and its purchasing strategies. This was implemented in compliance with the PUC’s Order concerning the Company’s FY2022 Gas ISR Plan in Docket No. 5099. The first component of the plan is an enhanced process to track meter inventory. The Company is conducting a manual count of the meter lab inventory each month until the Company has validated that the Maximo system, which is used to track meter inventory, is accurately capturing inventory data. The Company conducted a physical inventory count on June 10, 2021 to establish the baseline count. The chart below provides a summary of the meter lab inventory counts on June 10, 2021, and the closest date to the close of each quarter that followed, which were June 30, 2021, September 30, 2021, January 3, 2022, March 31, 2022, June 30, 2022, September 30, 2022, January 3, 2023, March 31, 2023, June 30, 2023, September 30, 2023, and December 31, 2023. The Company is continuing to review the variances between the physical counts and the meter inventory tracked in Maximo and working to address factors that contribute to the variance, including the timing of when inventory is

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counted, when reports are run, and the timing of data cleanup in the Maximo system. Although the variance total has decreased over time, the calculated variance percentage (%) has grown because the meter inventory levels have decreased substantially over the past year and half.

Meter Lab Inventory				
Measure	Physical Count	Maximo	Variance	Variance %
Inventory as of 6/10/2021	9,943	10,926	983	9%
Inventory as of 6/30/2021	9,156	9,988	823	8%
Inventory as of 9/30/2021	9,568	10,370	802	8%
Inventory as of 1/3/2022*	9,994	10,986	992	9%
Inventory as of 3/31/2022	11,724	12,605	881	7%
Inventory as of 6/30/2022	7,354	8,164	810	10%
Inventory as of 9/30/2022	6,513	7,452	939	13%
Inventory as of 1/3/2023	5,043	5,963	940	16%
Inventory as of 3/31/2023	8,647	9,716	1,069	11%
Inventory as of 6/30/2023	6,293	7,244	951	13%
Inventory as of 9/30/2023	3,618	4,405	787	18%
Inventory as of 12/31/2023	2,899	3,632	787	22%

*Due to Vacations, the Meter Lab gathered inventory data the first Monday after New Years.

Damage/Failure Reactive Program – \$0.019 million variance to budget

Through the third quarter of FY2024, the Company spent \$0 of a projected YTD budget of \$0.019 million for the Damage/Failure Reactive Program, resulting in an under-budget variance of \$0.019 million. The Company has not experienced any reactive projects that qualify for this program category YTD in FY2024. At this time, the Damage/Failure Reactive Program is forecasted to be on budget at fiscal year-end.

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Discretionary Work³

Proactive Main Replacement & Rehabilitation Programs – \$2.83 million under-budget variance

Through the third quarter of FY2024, the Company spent approximately \$66.94 million of a projected YTD budget of \$69.78 million for the Proactive Main Replacement programs, resulting in an underspending variance of approximately \$2.83 million. To date, for FY2024 in the Proactive Main Replacement (“MRP”) Program, the Company has installed 24.0 miles of new replacement gas main against a plan of 47.1 miles. Across all ISR programs, the Company has installed a total of 43.3 miles of new replacement gas main against a plan of 52.7 miles. Thru the third quarter of FY2024, the Company abandoned 16.0 miles in the MRP Program against a plan of 43.2 miles. Across all programs, the Company has abandoned 30.7 miles of leak prone pipe against an overall plan of 53.6 miles. Through the third quarter, the Company’s actual abandonment is below target and the Company is projecting to abandon approximately 35.5 miles against the initial abandonment target of 60.0 miles. Due in large part to the concentration on projects with higher priority scores, many of which are larger diameter pipe which have a slower rate of production compared to smaller diameters, the Company has not installed as many miles of replacement main as it had originally planned nor is it likely to reach abandonment on as many miles as it had originally planned. However, the Company’s project selection strategy for FY2024 focuses resources on Proactive Main Replacement projects with some of the highest priority scores on the gas distribution system.

Through the first three quarters of the fiscal year, the Company and its contractor were able to complete 5 CISBOT projects. During the first quarter, Thames St (Section 1 and 2) in Newport,

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which were started in late FY2023 to get ahead of the busy tourism season in that area, were completed, followed by Early Street in Providence. 1-94 Legion Way, which was started in the latter part of the first quarter, was completed in the second quarter. Based on Contractor availability, project readiness, and moderate Company resource requirements for this type of work, at the end of the first quarter the Company pursued the addition of two CISBOT jobs for FY2024. These two projects were Russell Street and Canal Street, both located in the City of Providence. Russell Street had previously been scoped as a lining project in prior fiscal years, but after conducting field investigations, it was determined lining was not a feasible option. The segment of pipe associated with the project runs under/through Rhode Island Public Transit Authority (“RIPTA”) property and is near railroad tracks, so it is preferable to rehabilitate versus replace/abandon as it is a challenging area for crews to access. Seventeen joints had been fixed over the past 10 years on this segment related to leak activity. The Company and its contractor completed work on Russell Street during the third quarter of the fiscal year. Due to the moratorium on winter work in Providence, the Company was not able to execute the planned project on Canal Street. In total, the five projects which were completed rehabilitated approximately 1.36 miles of large diameter cast iron main by internally sealing approximately 600 joints with the use of CISBOT. Overall, the Main Rehabilitation (Proactive) – Large Diameter LPCI Program was overbudget by \$2.09 million at the close of Q3 FY2024 and was forecasted to be overbudget by \$2.12 million at fiscal year-end.

For the Atwells Avenue Project in FY2024, the Company has incurred charges of approximately \$1.04 million, primarily related to the main installation for Segment 3, along with closeout of invoices for line stripping as part of the final restoration of Segments 1 & 2. Segment 3 of the project was initially budgeted to be completed in FY2024, but a portion of the project will carry over into FY2025, which was incorporated into the FY2025 budget proposal, due to the later FY2024 timing of when Segment 3 started, and the higher volume of service work associated with that segment of main. In the Spring of 2024, the Company will complete the main

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installation, gas in the new main, and begin service work. Final restoration is forecasted to be completed in FY2025. In FY2024, the Company has continued to work in close conjunction with Providence Water (replacing water pipe) and the City of Providence (to coordinate the Company's replacement of leak prone pipe with municipal paving) to continue addressing the highest priority work. Although Segment 3 of Atwells Avenue has been grouped with Segments 1 & 2 (which ran along the restaurant district) for the overall project scope, the cost and project prioritization of Segment 3 fall more in line with a standard proactive main replacement project, which is one reason why other segments in Providence were being completed ahead of Atwells Avenue Segment 3.

Proactive Service Replacement Program – \$0.13 million underspending variance to budget

Through Q3 FY2024, the Company spent \$0.37 million of a projected YTD budget of \$0.51 million for the Proactive Service Replacement Program, resulting in an underspending variance of \$0.13 million. Through Q3, the Company replaced 34 services under the Proactive Service Replacement Program. This included the replacement of the final four copper services in Cumberland. The Company has completed the final restoration related to copper services that were replaced on various streets in Cumberland. The Company is continuing to reach out to customers to schedule and perform proactive service replacements as those services are confirmed to be leak prone services on non-leak prone main.

Reliability Programs – \$13.41 million underspending variance to budget year-to-date

Through the third quarter of FY2024, the Company spent \$21.23 million of a projected YTD budget of \$34.64 million for Reliability programs, resulting in an underspending variance of \$13.41 million for this category. The timing of work and purchasing are the primary drivers of the YTD underspending variance, with the LNG categories accounting for \$9.76 million of the underspending variance. As of December 31, 2023, the Reliability programs were projected to be underbudget by \$9.30 million at fiscal year-end. In terms of the FY2024 forecast, the

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forecasted underspending variance is driven by the LNG categories, Distribution Station Over Pressure Protection, Replace Pipe on Bridges, and Valve Installation/Replacement. Those forecasted underspending variances are somewhat offset by forecasted overspending variances on the Tiverton Gate Station Ownership Transfer (Heater) project.

The LNG category is forecasted to be underbudget at fiscal year-end primarily based on the timing of receiving finalized bids and awarding a contract for the final phases of the Exeter Boiloff Compressors upgrade and the delay in receiving materials to construct a new prefabricated building to house the new compressors. The prefabricated building has now become a long lead material/item. The project is forecasted to be underbudget by approximately \$3.71 million at fiscal year-end as some project activities are shifting into FY2025, along with the project in-service date, due to availability of materials and winter operation restrictions for the LNG plant. Additionally, other longer-term projects for the Exeter LNG plant, namely the Control Room and Truck Station Upgrades, are currently underspent and forecasted to end the year underbudget due to the timing of completing pre-construction activities.

The Valve Installation/Replacement category is currently underbudget by \$0.60 million and is forecasted to be underbudget by \$0.53 million at fiscal year-end, primarily because one sectionalizing valve on 16-inch diameter pipe in Newport was cancelled due to challenges in the field associated with installing the valve at the original site. Attempts to redesign the valve installation did not produce feasible alternatives. The result of eliminating the large diameter valve is that two smaller sectionalized zones will remain as one larger zone, but it does not negatively impact the Company's ability to shed load in Newport if it were ever deemed necessary. The Distribution Station Over Pressure Protection category is currently underbudget by \$1.42 million and is forecasted to be underbudget by \$1.60 million at fiscal year-end. The primary planned activities in this program are to install control line headers at various stations as main replacement – leak prone pipe project are being completed. However, the deferred timing of several main replacement jobs has deferred several control line header replacement projects.

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Gas System Reliability is currently underbudget by \$0.76 million and as of the end of Q3 was forecasted to be overbudget by \$0.11 million at fiscal year-end compared to the \$3.06 million overbudget forecast that was anticipated as of the end of Q2. The forecast has decreased because the Company was unable to advance the Greenwich Avenue project in East Providence for a variety of factors, but an overriding factor is the ongoing closure of the West Bound side of the I-195 Washington Bridge and the understandable reluctance to create any additional traffic delays in the area at this time. As mentioned in the Q1 FY2024 report regarding this overall category, the timing of some projects has shifted to support upcoming proactive main replacement projects (incorporating low pressure to high pressure upgrades) and other gas system reliability enhancements.

Five projects were included in the original FY2024 plan but have been deferred or are being redesigned:

- 1) the construction phase of the Beverly Street project in Lincoln will be deferred until FY2025, which will allow the planned Reinforcement project on River Road to be completed first;
- 2) Borah Street in North Providence was planned for development, but is being redesigned to incorporate more low pressure to high pressure upgrades;
- 3) the Diamond Hill Road-Dewey Street project in Woonsocket is being redesigned to expand the scope of the project, incorporate more low pressure to high pressure upgrades, and coordinate with paving schedules;
- 4) the Newport 10-to-35 psi system integration project is being deferred and will be reevaluated as a potential Proactive Main Replacement – Leak Prone Pipe project because it would likely have a higher volume of leak prone pipe;

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- 5) the Cannon Street project in Cranston is being deferred to coordinate with schedules of external parties in the area.

The following three projects are still proceeding as planned in FY2024:

- 1) Sunbury Street, Providence;
- 2) Old River Road, Lincoln (Manville); and
- 3) East Avenue/Bald Hill Road, West Warwick.

In the first quarter of FY2024, three projects were “walked-in” to the portfolio for FY2024 to directly support upcoming proactive main replacement projects and other gas system reliability enhancements that were identified during the FY2025 planning process. As will be explained below, the Company was unable to advance one project (Greenwich Avenue), it has begun the initial construction stage of the second project (Mason Street) and is nearing completion of the third project (Bypass Installation).

Below is a description and status update on each project:

- 1) **Greenwich Avenue, East Providence** – This project will support multiple projects within the Proactive Main Replacement – Leak Prone Pipe that will also convert existing low-pressure customers to high pressure. This improves overall system reliability by replacing aged infrastructure with new materials and installation procedures governed by modern construction codes and standards. Additionally, new high-pressure services include multiple layers of over-pressure protection using excess flow valves (“EFV”) and pressure regulators upstream of the meter to improve customer safety if an unplanned event were to affect the pipeline network. This project will also provide a future back feed on the 99 pounds per square inch (“#”) system between the Wampanoag Trail and Dey Street stations. The Company is in active discussions with the City of East Providence to determine an updated construction timeline for this project and other

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projects throughout the city. There were several scheduling factors that were being considered with the City of East Providence throughout the earlier part of FY2024, but the ongoing closure of the West Bound side of the I-195 Washington Bridge and the understandable reluctance to create any additional traffic delays in the area at this time was the overriding factor that has deferred the start of construction into FY2025.

- 2) **Mason Street, Woonsocket** – This project will extend a high-pressure feeder main into a low-pressure area to enable Proactive Main Replacement – Leak Prone Pipe projects. In FY2024, the project completed test hole work and installed approximately 200 feet of main and will continue main installation and conversion of customers to high pressure in FY2025. This Gas System Reliability project and the associated Proactive Main Replacement projects are being expedited to allow abandonment of a problematic regulator station on the existing low-pressure system thereby avoiding replacement.
- 3) **Bypass Installation** – Allens Avenue Regulator Station, Providence – This project will allow for proper back feeding procedures when the Wampanoag Trail Gate Station needs to be offline for maintenance or emergency operations. During a shutdown, the Providence 200# system requires 99# gas to back feed east across the Providence River to maintain pressure at regulator stations in East Providence normally fed by 200# gas from the Wampanoag Trail Gate Station. The current infrastructure at the Allen’s Avenue Regulator Station requires back feeding through the regulators from the Allen’s Avenue 99# station and is not viewed as a long-term strategy. In FY2024, the project has progressed well with the bypass piping installation and is currently awaiting favorable weather temperatures (multi-day window) that will allow the Company and its contractor to complete the necessary live gas connections. One of the connections requires the contractor TD Williamson to be onsite to complete the connections and requires advanced scheduling. The Company anticipates that the connections will be completed prior to the end of FY2024 and live gas will flow through the newly installed piping.

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In the Q1 FY2024 report, the Company indicated that a fourth project, the 99# System Integration (Phase 1) project, was being advanced into FY2024. However, that project has now been deferred to a future date that is yet to be determined. This project was being advanced, in part, because a low-pressure Main Replacement (Proactive) – Leak Prone Pipe project was going to require replacement of main on one of the same streets where this project needs to run its high-pressure main, and it would be most efficient to pave the affected street once. However, that low-pressure main project has been deferred and is being assessed for incorporation into a low-pressure to high-pressure upgrade, in conjunction with the 99# System Integration (Phase 1), in the next few years, along with Phases 2 & 3. Therefore, the 99# System Integration (Phase 1) project has been removed from the FY2024 forecast.

Finally, the Tiverton Gate Station Ownership Transfer (Heater) project is currently overbudget by \$0.51 million and is forecasted to be overbudget by \$0.50 million at fiscal year-end due to the timing of work on the project, which was originally scheduled to reach completion in FY 2023, and additional site work and closeout costs that are required for the project.

FY2024 Southern Rhode Island Gas Expansion Project Spending by Category

Pipeline & Other Upgrades/Investments Categories

For FY2024, there is no budget allocated for the Pipeline and Other Upgrades/Investments categories and there is currently no YTD spending or FY2024 forecast to report in either category.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-54-NG
FY2024 Gas Infrastructure, Safety, and Reliability Plan
FY2024 Quarterly Update
Third Quarter Ending December 31, 2023
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Regulator Station Investment

Updates to Cranston Regulator Station Upgrades, Cranston Take Station Upgrades, Cowesett Regulator Station Upgrades, and New Regulator Station Near Cowesett – \$1.55 million underspending variance to budget

Through the third quarter of FY2024, the Company spent \$1.73 million of a projected YTD budget of \$3.29 million for the Regulator Station Investment category, resulting in an underspending variance of \$1.55 million for this category. The YTD focus of this category has been Cranston Regulator Station Upgrades and Cowesett Regulator Station Upgrades. The Regulator Station Investment category is forecasted to be underbudget by \$1.97 million at fiscal year-end as 1) bids for the Cranston Regulator Station Upgrades came in lower than anticipated, and 2) the materials purchasing for the New Regulator Station near the Cowesett Regulator Station project will be deferred into FY2025 as the Company is continuing the process of identifying a suitable location(s) and then survey and design work will follow.

Attachment A
RIPUC Docket No. 22-54-NG
FY2024 Gas Infrastructure, Safety, and Reliability Plan
FY2024 Quarterly Update
Third Quarter Ending December 31, 2023

Attachment A - Summary

The Narragansett Electric Company
d/b/a Rhode Island Energy - RI Gas
Capital Spending by Investment Categories - Summary
Q3 FY 2024 through December 31, 2023
(\$000)

Categories	FYTD			FY 2024 - Total		
	Budget	Actual	Variance	Budget	Forecast	Variance
NON-DISCRETIONARY						
Public Works ¹	\$14,397	\$25,501	\$11,105	\$17,177	\$28,934	\$11,757
Mandated Programs	\$20,081	\$17,845	(\$2,236)	\$25,621	\$28,363	\$2,742
Damage / Failure (Reactive)	\$19	\$0	(\$19)	\$25	\$25	\$0
NON-DISCRETIONARY TOTAL	\$34,496	\$43,347	\$8,850	\$42,824	\$57,322	\$14,499
DISCRETIONARY						
Proactive Main Replacement	\$69,776	\$66,942	(\$2,834)	\$78,266	\$66,292	(\$11,974)
Proactive Service Replacement	\$505	\$372	(\$133)	\$559	\$250	(\$309)
Reliability	\$34,642	\$21,233	(\$13,408)	\$38,074	\$28,777	(\$9,296)
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$104,922	\$88,547	(\$16,375)	\$116,899	\$95,319	(\$21,580)
Southern RI Gas Expansion Project	\$3,285	\$1,733	(\$1,552)	\$3,700	\$1,734	(\$1,966)
DISCRETIONARY TOTAL (With Gas Expansion)	\$108,207	\$90,280	(\$17,927)	\$120,599	\$97,052	(\$23,546)
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)	\$139,419	\$131,894	(\$7,525)	\$159,722	\$152,641	(\$7,081)
CAPITAL ISR TOTAL (With Gas Expansion)	\$142,704	\$133,627	(\$9,076)	\$163,422	\$154,375	(\$9,047)
Additional Capital Investments (Not currently included in the ISR)	\$653	\$1,119	\$466	\$778	\$1,254	\$476

() in Variance column denotes an underspend

1. Public Works Program includes reimbursements which will be credited as received throughout the year.

Attachment B
RIPUC Docket No. 22-54-NG
FY2024 Gas Infrastructure, Safety, and Reliability Plan
FY2024 Quarterly Update
Third Quarter Ending December 31, 2023

Attachment B

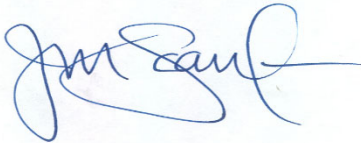
The Narragansett Electric Company
d/b/a Rhode Island Energy - RI Gas
Forecasted Capital Spending by Investment Categories - Detail
Through Q3 FY2023 (December 31, 2023)
(\$000)

Categories	FYTD			FY 2024 - Total		
	Budget	Actual	Variance	Budget	Forecast	Variance
NON-DISCRETIONARY						
Public Works						
<i>CSC/Public Works - Non-Reimbursable</i>	\$14,008	\$25,344	\$11,335	\$16,875	\$29,181	\$12,306
<i>CSC/Public Works - Reimbursable</i>	\$1,213	\$830	(\$383)	\$1,372	\$1,340	(\$32)
<i>CSC/Public Works - Reimbursements</i>	(\$824)	(\$672)	\$152	(\$1,070)	(\$1,587)	(\$517)
Public Works Total	\$14,397	\$25,501	\$11,105	\$17,177	\$28,934	\$11,757
Mandated Programs						
<i>Corrosion</i>	\$1,434	\$221	(\$1,213)	\$1,534	\$334	(\$1,200)
<i>Purchase Meter (Replacement)</i>	\$5,910	\$3,190	(\$2,720)	\$7,095	\$4,555	(\$2,540)
<i>Reactive Leaks (CI Joint Encapsulation/Service Replacement)</i>	\$6,185	\$6,325	\$140	\$8,000	\$8,143	\$143
<i>Service Replacement (Reactive) - Non-Leaks/Other</i>	\$1,298	\$3,472	\$2,174	\$1,748	\$3,748	\$2,000
<i>Main Replacement (Reactive) - Maintenance & Leak Prone Pipe</i>	\$867	\$2,689	\$1,821	\$1,167	\$8,193	\$7,025
<i>Low Pressure System Elimination (Proactive)</i>	\$1,300	\$515	(\$785)	\$1,300	\$800	(\$500)
<i>Transmission Station Integrity</i>	\$2,712	\$1,330	(\$1,382)	\$4,201	\$2,140	(\$2,062)
<i>Pipeline Integrity - IVP - Wampanoag Trail Pipeline Replacement</i>	\$375	\$104	(\$271)	\$575	\$450	(\$125)
Mandated Total	\$20,081	\$17,845	(\$2,236)	\$25,621	\$28,363	\$2,742
Damage / Failure (Reactive)						
<i>Damage / Failure (Reactive)</i>	\$19	\$0	(\$19)	\$25	\$25	\$0
NON-DISCRETIONARY TOTAL	\$34,496	\$43,347	\$8,850	\$42,824	\$57,322	\$14,499
DISCRETIONARY						
Proactive Main Replacement & Rehabilitation						
<i>Main Replacement (Proactive) - Leak Prone Pipe</i>	\$64,713	\$59,843	(\$4,870)	\$73,172	\$59,077	(\$14,095)
<i>Main Rehabilitation (Proactive) - Large Diameter LPCI Program</i>	\$3,963	\$6,058	\$2,095	\$3,994	\$6,115	\$2,121
<i>Atwells Avenue</i>	\$1,100	\$1,041	(\$59)	\$1,100	\$1,100	\$0
Proactive Main Replacement & Rehabilitation Total	\$69,776	\$66,942	(\$2,834)	\$78,266	\$66,292	(\$11,974)
Proactive Service Replacement						
Proactive Service Replacement Total	\$505	\$372	(\$133)	\$559	\$250	(\$309)
Reliability						
<i>System Automation</i>	\$598	\$444	(\$154)	\$792	\$592	(\$200)
<i>Heater Installation Program</i>	\$4,406	\$2,776	(\$1,630)	\$5,006	\$5,006	\$0
<i>Heater Installation Program - Wampanoag Trail Heaters Replacement and Ownership Transfer</i>	\$0	\$1	\$1	\$0	\$0	\$0
<i>Pressure Regulating Facilities</i>	\$4,729	\$4,601	(\$128)	\$5,200	\$5,200	\$0
<i>Allens Ave Multi Station Rebuild</i>	\$0	(\$0)	(\$0)	\$0	\$0	\$0
<i>Take Station Refurbishment</i>	\$420	\$2,168	\$1,747	\$1,164	\$785	(\$379)
<i>Take Station Enhancement Program - Tiverton GS Ownership Transfer</i>	\$190	\$696	\$506	\$190	\$690	\$500
<i>Valve Installation/Replacement (incl Storm Hardening & Middletown/Newport)</i>	\$606	\$4	(\$601)	\$606	\$81	(\$525)
<i>Gas System Reliability</i>	\$2,520	\$1,761	(\$759)	\$2,530	\$2,636	\$106
<i>I&R - Reactive</i>	\$1,052	\$863	(\$189)	\$1,402	\$1,402	\$0
<i>Distribution Station Over Pressure Protection</i>	\$2,206	\$785	(\$1,421)	\$2,420	\$820	(\$1,600)
<i>LNG</i>	\$16,054	\$6,204	(\$9,850)	\$16,313	\$10,130	(\$6,183)
<i>LNG - Cumberland Portable Equipment Purchase</i>	\$6	\$93	\$87	\$6	\$93	\$87
<i>Replace Pipe on Bridges</i>	\$1,000	\$263	(\$737)	\$1,350	\$263	(\$1,087)
<i>Access Protection Remediation</i>	\$60	\$67	\$7	\$60	\$45	(\$15)
<i>Tools & Equipment</i>	\$795	\$508	(\$287)	\$1,034	\$1,034	\$0
Reliability Total	\$34,642	\$21,233	(\$13,408)	\$38,074	\$28,777	(\$9,296)
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$104,922	\$88,547	(\$16,375)	\$116,899	\$95,319	(\$21,580)
Southern RI Gas Expansion Project						
<i>Regulator Station Investment</i>	\$3,285	\$1,733	(\$1,552)	\$3,700	\$1,734	(\$1,966)
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CAPITAL ISR TOTAL (With Gas Expansion)	\$142,704	\$133,627	(\$9,076)	\$163,422	\$154,375	(\$9,047)
Additional Capital Investments (Not currently included in the ISR)						
<i>Aquidneck Island Long Term Capacity Options</i>	\$375	\$1,009	\$634	\$500	\$1,054	\$554
<i>LNG - Cumberland Tank Replacement</i>	\$278	\$110	(\$168)	\$278	\$200	(\$77)

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

February 16, 2024
Date

Docket No. 23-49-NG- RI Energy's Gas Infrastructure, Safety and Reliability (ISR) Plan 2025 - Service List 1/23/2024

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