

February 20, 2024

#### VIA ELECTRONIC MAIL

Luly E. 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
Responses to PUC Data Requests – Set 8

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy, I have enclosed the Company's responses to the Public Utilities Commission's ("PUC") Eigth Set of Data Requests in 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,

Junga Burs Hath

Jennifer Brooks Hutchinson

Enclosure

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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 23-49-NG

In Re: Proposed FY 2025 Gas Infrastructure, Safety and Reliability Plan Responses to the Commission's Eighth Set of Data Requests Issued on February 6, 2024

### PUC 8-1

### Request:

What is the rate accounting treatment that the Company is proposing for the decommissioning of the LNG site on the Newport Navy Yard? Please explain why the Company believes that the costs associated with the decommissioning are appropriate for recovery through the ISR as opposed to being included in the Company's next rate case or in the annual Distribution Adjustment Clause filing for the year in which the costs are incurred.

## Response:

The Company has proposed to include the costs to decommission the existing assets of the LNG site on the Newport Navy Yard in the FY2025 Gas ISR recovery mechanism as cost of removal. The FY2025 Gas ISR Plan budget includes \$0.771 million for this work, which will all be recorded as cost of removal.

The ISR is the appropriate recovery mechanism because Rhode Island Energy's Gas Tariff No. 101, Section 3, Distribution Adjustment Clause ("DAC"), Section 3.2.2 Infrastructure, Safety and Reliability Factor provides for the recovery of the Cumulative Revenue Requirements, which reflects the Adjusted Cumulative Non-Growth Capital Investment plus the associated retirements, cost of removal, accumulated depreciation, and accumulated deferred taxes, and together with all accumulated Gas ISR investments will be eligible for inclusion in rate base recovery through new base distribution rates set in the next general rate case. Additionally, as part of its annual DAC filing, the Company will include an annual reconciliation of the actual ISR revenue requirements to the actual billed revenue for the approved ISR Factor for the prior fiscal year with the over- or under-recovery to be included as part of the DAC mechanism. Currently, there is no other mechanism in the annual DAC filing that is appropriate for this cost recovery.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 23-49-NG

In Re: Proposed FY 2025 Gas Infrastructure, Safety and Reliability Plan Responses to the Commission's Eighth Set of Data Requests Issued on February 6, 2024

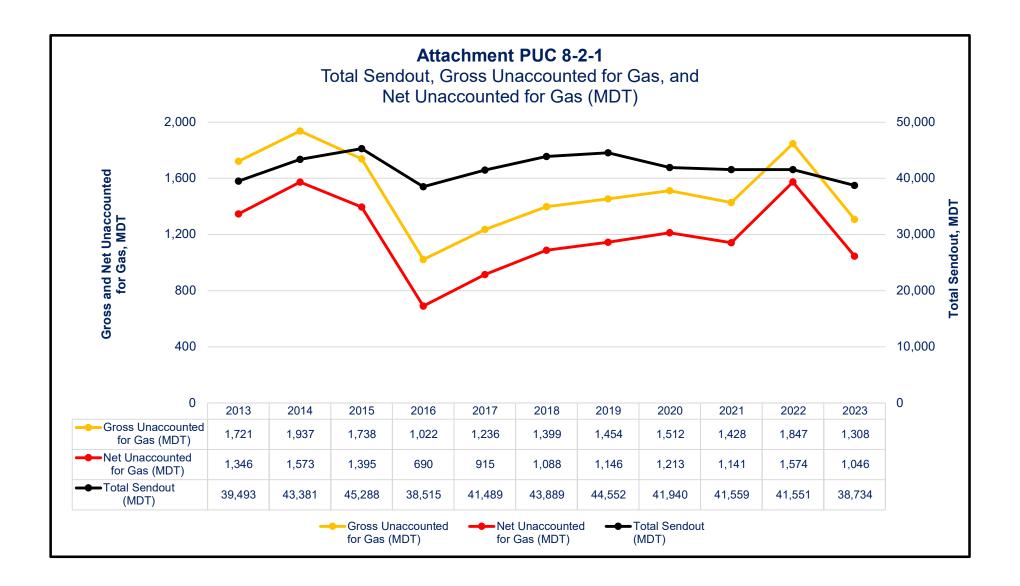
### PUC 8-2

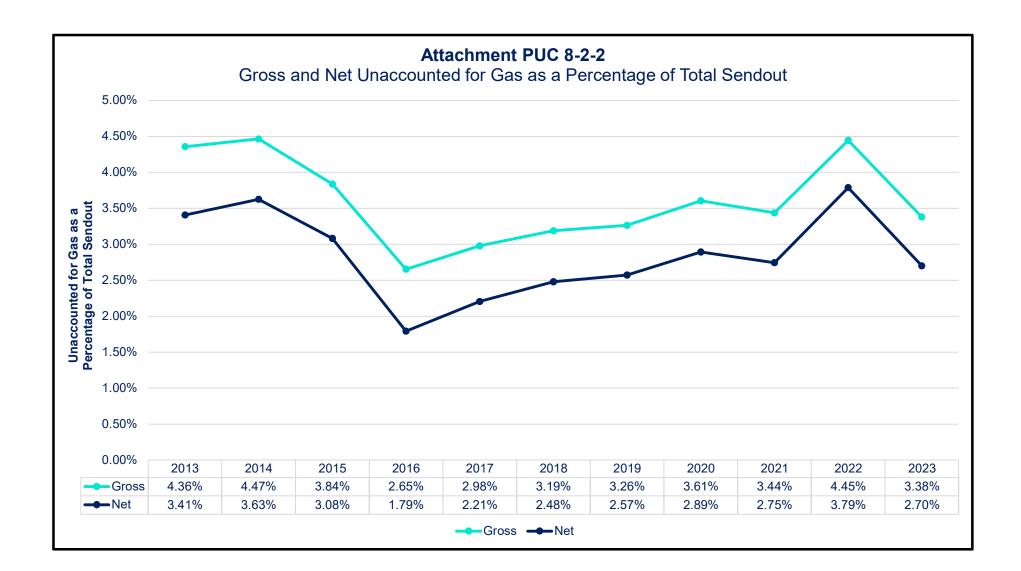
### Request:

In the response to Division 2-18, the Company was not able to explain the increasing trends for unaccounted for gas. The response indicates that the Company is conducting a review and will supplement the response "to the extent that its data review reveals the cause(s) of the increasing unaccounted for gas trends." If the Company does not supplement the response by no later than five business days prior to the evidentiary hearings, please provide an explanation why it was not possible to do so and provide the Company's opinion as to the likely causes, based on the information then available.

#### Response:

The annual net unaccounted for gas calculations have been completed and the results have dropped from 3.79% in 2022 to 2.70% for 2023, a reduction of 28.8%. Please see Attachments PUC 8-2-1 and PUC 8-2-2 for the tables and graphs of the updated data.





#### 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 20, 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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