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Also admitted in Massachusetts

March 25, 2024

Via Electronic Mail and Hand Delivery

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
Proposed FY2025 Gas Infrastructure, Safety, and Reliability Plan
Responses to Record Requests (Complete Set)

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy, I have enclosed the Company's complete set of responses to the record requests issued at the Commission's Evidentiary Hearings on March 7, March 8, and March 18, 2024 in the above-referenced matter.

This transmittal includes the Company's responses to Record Request Nos. 7 and 9 and completes the Company's responses to the record requests issued in this matter.

If you have any questions, please contact me at (401) 709-3359.

Very truly yours,

Steven J. Boyajian

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

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 23-49-NG
In Re: Proposed FY 2025 Gas Infrastructure, Safety and Reliability Plan
Responses to the Record Requests Issued at the
Commission's Evidentiary Hearings on
March 8, 2024 and March 11, 2024

Record Request No. 1

Request:

With respect to paving, please provide a description or illustrative example of how property taxes are figured into the Company's revenue requirement calculation.

Responses:

Please see PUC 9-6 – Supplemental submitted at the evidentiary hearing on March 11, 2024 for a written explanation of how property taxes are calculated within the Company's revenue requirement calculation. In addition, the explanation includes references to an illustrative example found in Attachment PUC 9-6 – Supplemental.

For convenience, a copy of PUC 9-6 – Supplemental is also attached to this Record Request as Attachment RR-1.

Prepared by or under the supervision of: Natalie Hawk

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 Ninth Set of Data Requests
Issued on February 15, 2024

PUC 9-6 – Supplemental
Municipal Property Taxes

Request:

Please explain the processes followed by the Company in paying property taxes relating to new gas mains that are placed in service in the local communities. Please also explain the extent to which repaving costs are included in any local tax valuations when the local community assesses property taxes and the extent to which the Company uses its depreciated regulated rate base as a reference for establishing the property values.

Original Response:

In the first quarter of each calendar year, the Company produces an Annual Return for submittal to each municipality in which the Company owns property. The Annual Return reports the value of assets owned by the Company as of the end of the most recent calendar year. Municipalities rely on the Annual Return to calculate the assessed value for property taxes.

Paving costs associated with new gas mains are included in the value of the gas mains in accordance with the FERC Uniform System of Accounts guidelines. Once the gas mains are placed in service, the paving costs are not separately identifiable, and they are depreciated as part of the gas mains. The Company will report the net book value of the gas mains at the end of the calendar year on the personal property tax return. Municipalities will rely on this tax return, reflecting the prior year's information, to assess the property tax value for the current year.

Supplemental Response:

As explained in the Company's original response, repaving costs associated with new gas mains are included in the value of the gas mains in accordance with the FERC Uniform System of Accounts guidelines. However, the repaving costs are excluded from the asset values for purposes of personal property tax assessments. The Company's tax software is programmed to use a specific accounting field to help identify and exclude the repaving costs from the value of the gas mains assets to report the appropriate asset values to the municipalities for the personal property tax assessment.

In the Gas ISR, property taxes are not computed in a manner used by the municipalities. The Company developed a reasonable approach to estimating a property tax value. This approach uses the net book value ("NBV") of total cumulative plant from the latest filed Gas ISR reconciliation plan (i.e. for the FY25 plan, this would be FY23) and this plant value includes paving costs. The Company divides this NBV of total cumulative plant by the property tax expense recorded on the ledger and reflected in the latest filed Gas ISR reconciliation plan.

Prepared by or under the supervision of: Natalie Hawk

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 Ninth Set of Data Requests
Issued on February 15, 2024

PUC 9-6 – Supplemental, page 2
Municipal Property Taxes

The property tax expense reflected in the calculation is based on actual property tax assessments (i.e., where paving costs were excluded). The result is an effective property tax rate that is then used against the NBV of current year plant activity to calculate property tax in the ISR.

Please refer to Attachment PUC 9-6 – Supplemental for an illustrative example of how property taxes are computed in the context of the ISR. Column A reflects the methodology used for the computation of property tax expense, which includes paving costs in NBV of plant assets and is different from the NBV information provided to municipalities for property tax assessments. Although it may appear that the ISR is computing and charging customers an inflated property tax value, that is not the case. As explained below and illustrated in the Column B scenario, which excludes paving costs in the NBV for purposes of the illustration, the property tax will essentially remain the same due to the methodology used to compute property tax in the context of the ISR.

As explained above, paving costs are included in the NBV of total cumulative plant as reflected in Column A on Line 1, which is used to determine the effective tax rate, as reflected in Column A on Line 3. The effective tax rate is applied to the NBV of current year plant activity, which also includes paving costs and is reflected in Column A on Line 4 to calculate property tax on Line 6. If the paving costs are excluded from the NBV used to determine the effective tax rate in the ISR, as shown in Column B, Line 1, the effective tax rate will increase as shown in Column B on Line 3. However, if the paving costs are also excluded from the NBV of current year plant activity to determine property tax expense, then the higher effective tax rate will be applied to a lower NBV of current year plant activity, as shown in Column B on Line 4. This results in essentially the same property tax expense in the ISR.

Note that the increase in the effective tax rate on a lower NBV due to removing paving costs will most likely not be a one-for-one dollar value exchange as shown on Line 6. For instance, the example in Attachment PUC 9-6 – Supplemental assumes, for the sake of simplicity, that the ratio of paving costs removed from NBV of total cumulative plant on Line 1 is the same ratio of paving costs removed from NBV of current year plant activity on Line 4. If the ratio of paving costs removed from NBV of plant is different between Line 1 and Line 4, the property tax calculated will be different in Column B on Line 6. Although the amounts might be different when doing a comparison, as long as consistent approaches are used to calculate NBV of total plant and current year plant activity (i.e. either paving costs are included or excluded), the methodology used in the ISR is still the same because it is based on actual property tax expense recorded, which expense was based upon personal property valuations that exclude paving costs. Thus, the impact of the paving costs on the property tax calculation in the ISR, and in turn for customers, is relatively neutral.

Prepared by or under the supervision of: Natalie Hawk

The Narragansett Electric Company
d/b/a Rhode Island Energy

Example of the property tax methodology used in the Gas ISR

			A Includes Paving Costs	B Excludes Paving Costs	
1	NBV of Total Cumulative Plant	Input	100,000	80,000	
2	Property Tax Expense	Input	10,000	10,000	Note 1
3	Effective Property Tax Rate	(Line 1 / Line 2)	10.0%	12.5%	
4	NBV of Current Year Plant Activity	Input	10,000	8,000	
5	Effective Property Tax Rate	Line 3	10.0%	12.5%	
6	Property Tax on NBV of Current Year Plant Activity	(Line 4 x Line 3)	1,000	1,000	Note 2

Note 1: Line 2 represents actual property tax expense recorded on the ledger from the latest filed Gas ISR reconciliation plan, which is calculated on the NBV of qualified assets. The qualified assets do not include paving costs.

Note 2: This example assumes that that the ratio of paving costs removed from NBV of total cumulative plant on Line 1 is the same ratio of paving costs removed from NBV of current year plant activity on Line 4. If the ratio of paving costs removed from NBV of plant is different between Line 1 and Line 4, the property tax calculated will be different on Line 6

Record Request No. 2

Request:

Please provide the emissions factor for unprotected steel.

Response:

The Company uses the emissions factors found in Table W-7 to Subpart W of Part 98 of the Code of Federal Regulations for emissions calculations relating to its gas distribution system. This table can be found here: https://www.ecfr.gov/current/title-40/part-98/appendix-Table%20W-7%20to%20Subpart%20W%20of%20Part%2098.

The emissions factor for unprotected steel mains is 12.58 scf/hour/mile of main (as compared to the emissions factor for cast iron mains, which was correctly referenced during the hearing on Thursday as being approximately double, at 27.25 scf/hour/mile). The emissions factor for unprotected steel services is 0.19 scf/hour/service.

Prepared by or under the supervision of: Barry Foster and Corey Hogg

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Record Request No. 3

Request:

Please explain whether the Company would request FERC authorization to move paving costs to FERC Account 927 if the costs were not treated as capital for ratemaking purposes.

Response:

The Company is continuing to make internal and external inquiries to determine whether there is any analogous circumstance that would provide clearer guidance as to the appropriate FERC accounting treatment for such a recategorization of paving costs. Given the apparent lack of clear analogies or guidance, if paving costs were not treated as capital for ratemaking purposes, the Company would seek explicit clarification from FERC on whether the paving costs could be appropriately accounted for as franchise costs in FERC Account 927 and communicate its findings to the Commission.

Prepared by or under the supervision of: John Schwartz

Record Request No. 4

Request:

Regarding the Company's five-year forecast shown on Bates Page 80 of the Company's filing, please reconcile the general categories of costs in each of the stated years with the capital expenditures for the same years shown on page 23 of the Company's response to PUC 10-1-1 and explain the differences.

Response:

Please see Attachment RR 4, which supplements the Company's Table 2, 5-Year Forecast from Bates page 80 of the Company's FY2025 Gas ISR Plan filing. The original Table 2 included proposed Gas ISR Plan investments (and Notable Capital Projects Not Currently Included in the ISR). The expanded Table 2 in Attachment RR 4 includes the Company's total forecasted gas capital investments (including all non-ISR investments) presented on an ISR fiscal year basis for the FY2025 – FY2029 period (as of the December 21, 2023 filing). These total forecasted gas capital investments (both ISR and non-ISR investments) are reflected on a calendar year basis within their respective periods as Rhode Island Gas Operations capital expenditures in the 4-year business plan for PPL Corporation, the Company's parent company, as shown on page 23 of Attachment PUC 10-1-1.

Please note, because the underlying purpose of this record request was to provide a point in time comparison of the Company's Rhode Island Gas 5-Year capital ISR Plan Fiscal Year spending forecast (FY2025 – FY2029) to the Company's Rhode Island Gas Operations 4-Year calendar year capital spending forecast (CY2024 – CY2027) as shown on page 23, of Attachment PUC 10-1-1, Attachment RR 4, does not reflect updates to the FY 2025 budget proposal for the LNG category, as provided in the Company's response to RR-5.

Attachment RR 4

Table 2
Narragansett Gas - 5-Year Forecast - FY2025 - FY2029
($000)

	A	B	C	D	E	F
1	**Investment Categories & Groups**	**FY 2025 Budget**	**FY 2026 Budget**	**FY 2027 Budget**	**FY 2028 Budget**	**FY 2029 Budget**
2	**A. Main Replacement & Rehabilitation**					
3	*Damage / Failure (Reactive)*	$ 25	$ 30	$ 35	$ 40	$ 45
4	*Reactive Main Replacement - Leak Prone Pipe & Maintenance*	$ 7,838	$ 4,958	$ 6,250	$ 6,250	$ 6,250
5	*CSC/Public Works - Non-Reimbursable*	$ 22,519	$ 22,841	$ 29,560	$ 28,886	$ 30,988
6	*CSC/Public Works - Reimbursable*	$ 1,700	$ 2,228	$ 2,297	$ 2,365	$ 2,439
7	*CSC/Public Works - Reimbursements*	$ (850)	$ (747)	$ (1,148)	$ (1,183)	$ (1,220)
8	*Gas System Reliability*	$ 4,580	$ 4,000	$ 5,010	$ 5,500	$ 6,500
9	*Proactive Main Rehabilitation - Large Diameter (CI Lining & CISBOT)*	$ 750	$ 1,000	$ 6,839	$ 5,750	$ 6,750
10	*Proactive Low Pressure System Elimination*	$ 6,552	$ 5,810	$ 20,000	$ 20,000	$ 20,000
11	*Pipeline Integrity*	$ 10,020	$ 10,020	$ 1,250	$ 10	$ -
12	*Replace Pipe on Bridges*	$ 1,420	$ 3,000	$ 1,481	$ 1,510	$ 1,661
13	*Proactive Main Replacement - Leak Prone Pipe*	$ 62,169	$ 63,162	$ 78,359	$ 78,891	$ 84,518
14	*Atwells Avenue*	$ 750	$ -	$ -	$ -	$ -
15	*Proactive Service Replacement*	$ 250	$ 541	$ 2,000	$ 2,000	$ 2,000
16	***Main Replacement & Rehabilitation Total***	**$ 117,723**	**$ 116,843**	**$ 151,932**	**$ 150,020**	**$ 159,932**
17	**B. Mandated & Non-Main Reactive**					
18	*Reactive Leaks (CI Joint Encapsulation/Service Replacement)*	$ 8,000	$ 8,320	$ 8,653	$ 8,999	$ 9,359
19	*Purchase Meters (Replacement)*	$ 5,646	$ 5,469	$ 5,569	$ 5,681	$ 6,043
20	*Corrosion*	$ 1,918	$ 2,290	$ 2,519	$ 2,771	$ 3,048
21	*Reactive Service Replacements - Non-Leaks/Other*	$ 1,748	$ 1,766	$ 1,801	$ 1,837	$ 1,850
22	*I&R - Reactive*	$ 1,472	$ 1,430	$ 1,459	$ 1,488	$ 1,563
23	*Access Protection Remediation*	$ 40	$ 25	$ 25	$ 25	$ 25
24	***Mandated Total***	**$ 18,824**	**$ 19,300**	**$ 20,026**	**$ 20,800**	**$ 21,888**
25	**C. Reliability & Pressure Regulation**					
26	*LNG*	$ 11,187	$ 2,100	$ 7,782	$ 4,259	$ 6,150
27	*Transmission Station Integrity*	$ 5,891	$ 7,837	$ 6,259	$ 458	$ 5,234
28	*Pressure Regulating Facilities*	$ 5,888	$ 6,695	$ 7,296	$ 7,103	$ 7,316
30	*Distribution Station Over Pressure Protection*	$ 1,785	$ 3,025	$ 3,184	$ 297	$ 306
31	*Tiverton GS - Heaters Replacement and Ownership Transfer*	$ 10	$ -	$ -	$ -	$ -
32	*Take Station Refurbishment*	$ 1,221	$ 3,124	$ 1,681	$ 4,735	$ 237
33	*Heater Installation Program*	$ 400	$ 3,806	$ 912	$ 2,951	$ 300
34	*System Automation*	$ 665	$ 685	$ 517	$ 350	$ 361
35	*Tools & Equipment*	$ 1,211	$ 1,112	$ 1,164	$ 1,216	$ 1,223
36	*Valve Installation/Replacement - Primary Valve Program & Aquidneck Island Low Pressure Valves*	$ 142	$ 145	$ 148	$ 152	$ 157
37	*Southern RI Gas Expansion Project - Regulator Station Investment*	$ 4,060	$ 498	$ 1,273	$ 50	$ -
40	***Reliability & Pressure Regulation Total***	**$ 32,460**	**$ 29,027**	**$ 30,216**	**$ 21,570**	**$ 21,283**
41	**D. Large Multi-Year Reliability Projects**					
42	*LNG - Exeter Truck Station Upgrade*	$ 500	$ 12,000	$ -	$ -	$ -
43	*LNG - Exeter Control Room Upgrade*	$ 1,600	$ 8,000	$ -	$ -	$ -
44	*LNG - Old Mill Lane Portable Equipment*	$ 8,300	$ 833	$ -	$ -	$ -
45	*LNG - Old Mill Lane Site Upgrades*	$ 6,000	$ 9,000	$ -	$ -	$ -
46	*LNG - Cumberland Tank Replacement*	$ -	$ -	$ 2,500	$ 22,500	$ 22,500
47	***Large Multi-Year Reliability Projects Total***	**$ 16,400**	**$ 29,833**	**$ 2,500**	**$ 22,500**	**$ 22,500**
48	**CAPITAL ISR TOTAL**	**$ 185,407**	**$ 195,003**	**$ 204,675**	**$ 214,890**	**$ 225,602**
49	**E. PHMSA - Gas Pipeline Leak Detection and Repair (LDAR)**					
50	*Reactive Leaks (CI Joint Encapsulation/Service Replacement) (PHMSA)*	$ 4,000	$ 11,000	$ 11,550	$ 12,128	$ 12,734
51	*Main Replacement (Mandated) - Leak Prone Pipe (PHMSA)*	$ 6,589	$ 4,000	$ 4,200	$ 4,410	$ 4,631
52	*Tools & Equipment (PHMSA)*	$ 200	$ -	$ -	$ -	$ -
53	***PHMSA LDAR Total***	**$ 10,789**	**$ 15,000**	**$ 15,750**	**$ 16,538**	**$ 17,364**
54	**CAPITAL ISR TOTAL (With PHMSA LDAR)**	**$ 196,196**	**$ 210,003**	**$ 220,425**	**$ 231,427**	**$ 242,967**
55	**F. Notable Capital Projects Not Currently Included in the ISR (Non-ISR All Other)**					
56	*LNG - Cumberland Tank Replacement*	$ 375	$ 2,500	Costs transfer to be an ISR project in FY27		
57	**G. Non-ISR Capital Spending**					
58	*Gas System Reinforcement*	$ 8,707	$ 8,925	$ 9,371	$ 9,840	$ 10,135
59	*Customer Driven Gas Growth*	$ 16,134	$ 16,519	$ 16,768	$ 17,022	$ 17,279
60	*Facilities, Fleet, & IT*	$ 11,808	$ 12,002	$ 3,528	$ 1,804	$ 682
61	*Future (New) Technologies*	$ 537	$ 10,969	$ 11,241	$ 10,663	$ 11,969
62	***Non-ISR Gas Capital Total***	**$ 37,561**	**$ 50,915**	**$ 40,908**	**$ 39,329**	**$ 40,065**
63	***Gas Capital Total (ISR and Non-ISR)***	**$ 233,757**	**$ 260,917**	**$ 261,333**	**$ 270,756**	**$ 283,032**

Record Request No. 5

Request:

Please provide an updated Table 1A showing the Company's current FY 2025 budget proposal accounting for any changes since the initial filing.

Response:

Please see Attachment RR 5-1 for the updated version of Table 1A and Attachment RR 5-2 for the updated version of Table 1B. The updated Table 1A provided as Attachment RR 5-1 groups the Gas ISR categories in the same method that has been used historically. The updated Table 1B provided as Attachment RR-2 groups the Gas ISR categories in the Company's newly proposed category groupings.

Both tables reflect updates to the FY 2025 budget proposal from the initial filing. Specifically, on Attachment RR 5-1, line 26, and Attachment RR 5-2, line 39, the Company reduced the LNG category budget by $2.3 million to reflect the updated timeline for the LNG - Exeter Tank Switchback Stairs project, which will now call for a budget of $0.5 million in FY2025 instead of the original $2.8 million (resulting in a budget reduction of $2.3 million in FY2025). The Company also updated the current FY2025 LNG Projected Capital Additions Placed In-Service assumptions.

The Company has not reflected the Division's recommendation to reallocate the $2.3 million to the leak prone pipe categories for any potential increases in the FY2025 leak prone pipe abandonment target at this time.

Prepared by or under the supervision of: Nathan Kocon and Phil LaFond

Attachment RR 5-1 - As of 2/27/2024

Table 1A - Including Overspend Allowances
Narragansett Gas - FY2025 - Proposal to PUC
($000)

	A	B	C	D	E
1	**Investment Categories & Groups**	**FY2025 Budget**	**Overspend Allowance Percentage**	**FY2025 Total Allowable Spend***	**Projected Capital Additions Placed In-Service for FY2025**
2	**A. Main Replacement & Rehabilitation**				
3	*Damage / Failure (Reactive)*	$ 25			$ 24
4	*Reactive Main Replacement - Leak Prone Pipe & Maintenance*	$ 7,838			$ 7,040
5	*CSC/Public Works - Non-Reimbursable*	$ 22,519			$ 21,205
6	*CSC/Public Works - Reimbursable*	$ 1,700			$ 1,774
7	*CSC/Public Works - Reimbursements*	$ (850)			$ (816)
8	*Gas System Reliability*	$ 4,580			$ 4,556
9	*Proactive Main Rehabilitation - Large Diameter (CI Lining & CISBOT)*	$ 750			$ 684
10	*Proactive Low Pressure System Elimination*	$ 6,552			$ 6,012
11	*Pipeline Integrity*	$ 10,020			$ -
12	*Replace Pipe on Bridges*	$ 1,420			$ 1,265
13	*Proactive Main Replacement - Leak Prone Pipe*	$ 62,169			$ 59,577
14	*Atwells Avenue*	$ 750			$ 1,869
15	*Proactive Service Replacement*	$ 250			$ 186
16	***Main Replacement & Rehabilitation Total***	**$ 117,723**	**2.5%**	**$ 120,666**	**$ 103,376**
17	**B. Mandated & Non-Main Reactive**				
18	*Reactive Leaks (CI Joint Encapsulation/Service Replacement)*	$ 8,000			$ 8,431
19	*Purchase Meters (Replacement)*	$ 5,646			$ 5,420
20	*Corrosion*	$ 1,918			$ 2,569
21	*Reactive Service Replacements - Non-Leaks/Other*	$ 1,748			$ 2,723
22	*I&R - Reactive*	$ 1,472			$ 1,327
23	*Access Protection Remediation*	$ 40			$ 43
24	***Mandated Total***	**$ 18,824**	**No Specific Limit**	**$ 18,824**	**$ 20,513**
25	**C. Reliability & Pressure Regulation**				
26	*LNG*	$ 8,887			$ 16,907
27	*Transmission Station Integrity*	$ 5,891			$ 7,780
28	*Pressure Regulating Facilities*	$ 5,888			$ 6,560
30	*Distribution Station Over Pressure Protection*	$ 1,785			$ 1,985
31	*Tiverton GS - Heaters Replacement and Ownership Transfer*	$ 10			$ 9
32	*Take Station Refurbishment*	$ 1,221			$ 996
33	*Heater Installation Program*	$ 400			$ 229
34	*System Automation*	$ 665			$ 688
35	*Tools & Equipment*	$ 1,211			$ 1,163
36	*Valve Installation/Replacement - Primary Valve Program & Aquidneck Island Low Pressure Valves*	$ 142			$ 145
37	*Southern RI Gas Expansion Project - Regulator Station Investment*	$ 4,060			$ 6,613
40	***Reliability & Pressure Regulation Total***	**$ 30,160**	**2.5%**	**$ 30,914**	**$ 43,075**
41	**D. Large Multi-Year Reliability Projects**				
42	*LNG - Exeter Truck Station Upgrade*	$ 500			$ -
43	*LNG - Exeter Control Room Upgrade*	$ 1,600			$ -
44	*LNG - Old Mill Lane Portable Equipment*	$ 8,300			$ -
45	*LNG - Old Mill Lane Site Upgrades*	$ 6,000			$ -
46	***Large Multi-Year Reliability Projects Total***	**$ 16,400**	**No Specific Limit**	**$ 16,400**	**$ -**
47	**CAPITAL ISR TOTAL**	**$ 183,107**		**$ 186,804**	**$ 166,964**
48	**E. PHMSA - Gas Pipeline Leak Detection and Repair (LDAR)**				
49	*Reactive Leaks (CI Joint Encapsulation/Service Replacement) (PHMSA)*	$ 4,000			$ 3,456
50	*Main Replacement (Mandated) - Leak Prone Pipe (PHMSA)*	$ 6,589			$ 3,795
51	*Tools & Equipment (PHMSA)*	$ 200			$ 192
52	***PHMSA LDAR Total***	**$ 10,789**	**n/a**	**$ 10,789**	**$ 7,443**
53	**CAPITAL ISR TOTAL (With PHMSA LDAR)**	**$ 193,896**		**$ 197,593**	**$ 174,408**
54	**Notable Capital Projects Not Currently Included in the ISR**				
55	*LNG - Cumberland Tank Replacement*	$ 375	n/a	$ 375	$ -

*Note: For any Level 1 category groups with No Specific Overspend Allowance Limit, the Company has listed the FY2025 Proposed Budget in the "Total Allowable Spend" column. The Company will provide quarterly updates and an annual summary of any substantial over or under spending variances for the Mandated Category group and the Large Multi-Year Reliability Projects (for changes that substantially impact the overall project cost forecast).

Attachment RR 5-2 - As of 2/27/2024

Table 1B
Narragansett Gas - FY2025 - Proposal to PUC
($000)

	A	B	C
1	**Categories**	**FY2025 Budget**	**Projected Capital Additions Placed In-Service for FY2025**
2	**NON-DISCRETIONARY**		
3	**Public Works**		
4	*CSC/Public Works - Non-Reimbursable*	$ 22,519	$ 21,205
5	*CSC/Public Works - Reimbursable*	$ 1,700	$ 1,774
6	*CSC/Public Works - Reimbursements*	$ (850)	$ (816)
7	***Public Works Total***	**$ 23,369**	**$ 22,163**
8	**Mandated Programs**		
9	*Corrosion*	$ 1,918	$ 2,569
10	*Purchase Meters (Replacement)*	$ 5,646	$ 5,420
11	*Reactive Leaks (CI Joint Encapsulation/Service Replacement)*	$ 8,000	$ 8,431
12	*Service Replacements (Reactive) - Non-Leaks/Other*	$ 1,748	$ 2,723
13	*Reactive Main Replacement - Leak Prone Pipe & Maintenance*	$ 7,838	$ 7,040
14	*Low Pressure System Elimination (Proactive)*	$ 6,552	$ 6,012
15	*Transmission Station Integrity*	$ 5,891	$ 7,780
16	*Pipeline Integrity - IVP*	$ 10,020	$ -
17	***Mandated Total***	**$ 47,613**	**$ 39,976**
18	**Damage / Failure (Reactive)**		
19	***Damage / Failure (Reactive)***	**$ 25**	**$ 24**
20	**NON-DISCRETIONARY TOTAL**	**$ 71,007**	**$ 62,163**
21	**DISCRETIONARY**		
22	**Proactive Main Replacement**		
23	*Main Replacement (Proactive) - Leak Prone Pipe*	$ 62,169	$ 59,577
24	*Main Replacement (Proactive) - Large Diameter LPCI Program*	$ 750	$ 684
25	*Atwells Avenue*	$ 750	$ 1,869
26	***Proactive Main Replacement Total***	**$ 63,669**	**$ 62,130**
27	**Proactive Service Replacement**		
28	***Proactive Service Replacement Total***	**$ 250**	**$ 186**
29	**Reliability**		
30	*System Automation*	$ 665	$ 688
31	*Heater Installation Program*	$ 400	$ 229
32	*Wampanoag Trail & Tiverton GS - Heaters Replacement and Ownership Transfer*	$ 10	$ 9
33	*Take Station Refurbishment*	$ 1,221	$ 996
34	*Pressure Regulating Facilities*	$ 5,888	$ 6,560
35	*Valve Installation/Replacement - Primary Valve Program & Aquidneck Island Low Pressure Valves*	$ 142	$ 145
36	*Gas System Reliability*	$ 4,580	$ 4,556
37	*I&R - Reactive*	$ 1,472	$ 1,327
38	*Distribution Station Over Pressure Protection*	$ 1,785	$ 1,985
39	*LNG*	$ 19,287	$ 16,907
40	*Old Mill Lane Site Upgrade*	$ 6,000	$ -
41	*Replace Pipe on Bridges*	$ 1,420	$ 1,265
42	*Access Protection Remediation*	$ 40	$ 43
43	*Tools & Equipment*	$ 1,211	$ 1,163
44	***Reliability Total***	**$ 44,121**	**$ 35,872**
45	**SUBTOTAL DISCRETIONARY (Without Gas Expansion)**	**$ 108,040**	**$ 98,188**
46	**Southern RI Gas Expansion Project**		
47	Pipeline	$ -	$ -
48	Other Upgrades/Investments	$ -	$ -
49	Regulator Station Investment	$ 4,060	$ 6,613
50	***Southern RI Gas Expansion Project Total***	**$ 4,060**	**$ 6,613**
51	**DISCRETIONARY TOTAL (With Gas Expansion)**	**$ 112,100**	**$ 104,801**
52	**CAPITAL ISR TOTAL (With Gas Expansion)**	**$ 183,107**	**$ 166,964**
53	**PHSMA - Gas Pipeline Leak Detection and Repair (LDAR)**		
54	*Reactive Leaks (CI Joint Encapsulation/Service Replacement) (PHMSA)*	$ 4,000	$ 3,456
55	*Main Replacement (Mandated) - Leak Prone Pipe (PHMSA)*	$ 6,589	$ 3,795
56	*Tools & Equipment (PHMSA)*	$ 200	$ 192
57	***PHMSA LDAR Total***	**$ 10,789**	**$ 7,443**
58	**CAPITAL ISR TOTAL (With Gas Expansion & PHSMA LDAR)**	**$ 193,896**	**$ 174,408**
59	**Notable Capital Projects Not Currently Included in the ISR**		
60	*LNG - Cumberland Tank Replacement*	$ 375	$ -
61	**Total**	**$ 375**	**$ -**

Record Request No. 6

Request:

Please provide an approximate schedule of operations and personnel/staffing at the Company's Exeter LNG facility.

Response:

A total of approximately 23,948 hours are collectively spent onsite by 12 assigned employees during a 12-month period. This figure is an estimate and is calculated with the assumption of the lowest anticipated workload and, therefore, does not include many additional hours spent by assigned staff and additional Company employees or contractors performing work at the Exeter LNG operation. The 23,948 hour estimate includes the actual time spent during the 12-month period between March 2023 and February 2024 for trucking and vaporization operations. These operations required one additional LNG operator to conduct LNG trailer unloading and vaporization. The time spent on trucking and vaporization operations will vary over any given 12-month period based upon gas system needs and customer demand.

Of the 23,948 hours, approximately 10,712 hours are expended during routine operations from 7:00 a.m. and 5:00 p.m., Monday through Friday during which times the facility is typically staffed by four to seven people, depending on the day.

Additional work that is routinely performed includes maintenance, support of capital improvement projects, training new employees, conducting assessments, completing required inspections, conducting safety meetings, completing routine training, and responding to weather events such as snowstorms. Personnel involved in this additional work will include assigned Exeter staff working overtime hours, Company employees from engineering, asset management, environmental, construction, compliance, instrumentation and regulation, metering, damage prevention, leadership, and contractors. These departments and contractors are required to report onsite to support the LNG operation throughout the year.

For a detailed breakdown of the worked hours, please see Figures 1 and 2.

Prepared by or under the supervision of: Brian Kirkwood

Record Request No. 6, page 2

Figure 1, Exeter LNG Annual Minimum Staffing Hours:

1	**Exeter LNG Annual Minimum Staffing Hours**			
2	**Position**	**Weekly Minimum Hours**	**Annual Minimum Hours**	**Schedule**
3	**Union**			
4	Working Leader	40	2,080	M-F, 7 AM - 3 PM
5	Operator 1	40	2,080	M-F, 7 AM - 3 PM
6	Operator 2	42	2,184	M-F, 7 AM - 7 PM
7	Operator 3	42	2,184	M-F, 7 PM - 7 AM
8	Operator 4	42	2,184	*Weekend coverage
9	Operator 5	42	2,184	*Weekend coverage
10	**Management**			
11	Supervisor	40	2,080	M-F, 7 AM - 3 PM
12	Specialist	24	1,248	**M-F, 7 AM - 3 PM
13	Manager	16	832	**M-F, 7 AM - 3 PM
14	**Security**			
15	Guard 1	40	2,080	M-F, 3 PM - 11 PM
16	Guard 2	40	2,080	M-F, 11 PM - 7 AM
17	Guard 3	48	2,496	*Weekend coverage
18				
19	**Total Minimum Hours**		**23,712**	
20				
21	**Total Minimum Hours with Additional Employee for Vaporization or Trucking Operations**		**23,948**	
22				
23	* Completed by several shifts and staff			
24	** Does not work every day at Exeter LNG			

Prepared by or under the supervision of: Brian Kirkwood

Record Request No. 6, page 3

Figure 2, Exeter LNG 12-month Trucking and Vaporization Additional Staffing Hours:

1	**Exeter LNG Trucking Hours**	
2	**Total Annual Hours**	**204**
3		
4	**Exeter LNG Vaporization Hours**	
5	**Total Annual Hours**	**32**

Prepared by or under the supervision of: Brian Kirkwood

Record Request No. 7

Request:

Please explain the impacts, if any, the closure of the Washington Bridge and resulting traffic have had on the Company's ability to replace or abandon mains.

Response:

The Washington Bridge closure had no measurable impact on the Company's ability to replace or abandon leak prone gas mains during FY2024.

At this time, the Company expects to be able to proceed with its main replacement work as planned for FY2025 in the areas surrounding the Washington Bridge in the cities of Providence and East Providence. After meeting with the affected municipalities, however, it is likely that there will be permitting restrictions imposed to prevent exacerbation of traffic issues caused by the Washington Bridge closure. It is possible these permitting restrictions will hinder construction productivity and lead to delays in the projects' timelines. The possibility of shutting work down in the area if the traffic resulting from the Company's construction activities is too burdensome was not completely dismissed.

There is a fair amount of leak-prone pipe in the general vicinity of the Washington Bridge, which the Company does not currently have plans to replace in the next two to three years. If future developments require prioritizing any of these segments for replacement, they would have to be evaluated and discussed in light of the traffic problems caused by the Washington Bridge closure and the possibility that traffic problems would be compounded by main replacement work.

Over the next two to three years, the Company anticipates executing a significant amount of main replacement in East Providence in the general vicinity of Pawtucket Avenue from Greenwich Avenue to Waterman Avenue and Waterman Avenue from Pawtucket Avenue to Taunton Avenue (as well as numerous side streets). This is a multi-phase plan that is intended to achieve several different goals including the abandonment/replacement of high-risk leak-prone pipe in the area, upgrading the pressure in the area from low-pressure to 99#, integrating/looping the 99# system in East Providence for better system reliability, and eliminating a low-pressure regulator station.

The Company intends to move forward with these projects as planned; however, given that much of this work is located on heavily traveled main roads in the vicinity of Interstate 195, the risk exists that this work may be slow-going due to traffic and the resulting permit restrictions and/or shut down completely if the impacts to the already heavy traffic in the area are too great.

Prepared by or under the supervision of: Corey Hogg and Phil LaFond

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Record Request No. 8

Request:

Please provide the numerators and denominators used to calculate the leak rates by material type shown on page 38 of the Company's 2022 System Integrity Report (Bates page 120 of the Company's FY2025 Gas ISR filing).

Response:

The numerators used to calculate the leak rates by material type shown on page 38 of the Company's 2022 System Integrity Report (Bates page 120 of the Company's 2025 Gas ISR Filing) can be found on page 35 of the Company's 2022 System Integrity Report (Bates page 117 of the Company's FY2025 Gas ISR filing). These are the annual main leaks repaired (excluding damages) separated by material type for the 10-year period shown on Bates page 120. The leak repair figures are supplied in the table below for convenience.

Leaks Repaired by Material (Excluding Damages)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cast/Wrought Iron	974	777	960	534	619	712	797	842	646	661	544
Ductile Iron	0	0	0	0	0	0	0	2	14	5	3
Other	10	6	6	12	4	0	0	0	0	0	0
Plastic	14	7	5	7	6	10	19	14	1	11	17
Steel - Protected	109	52	42	33	19	23	20	44	15	22	30
Steel - Unprotected	490	225	180	135	87	100	86	68	58	74	43
Reconditioned Cast Iron	0	0	0	0	0	0	0	0	0	0	0
Total	1,597	1,067	1,193	721	735	845	922	970	734	773	637

The denominators used to calculate the referenced leak rates can be found on page 25 of the Company's 2022 System Integrity Report (Bates page 107 of the Company's FY2025 Gas ISR filing). These are the total miles of main of each material type which were present in the Company's gas distribution system as of the end of each calendar year during the applicable period. These mileages have been supplied in the table below as well for convenience.

Record Request No. 8, page 2

Main Inventory by Material (mi)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cast/Wrought Iron	858.86	831.07	805.95	769.00	754.00	729.61	700.00	689.78	659.71	632.00	590.12
Ductile Iron	16.33	16.24	15.98	16.00	16.00	15.54	14.00	13.34	13.45	12.64	12.30
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.08
Plastic	1,167.84	1,227.16	1,287.24	1,378.00	1,417.00	1,475.65	1,539.00	1,572.28	1,643.27	1,698.00	1,759.14
Steel - Protected	596.94	596.25	595.25	595.00	590.00	589.51	562.00	581.99	576.23	586.00	582.46
Steel - Unprotected	534.14	507.85	483.30	452.00	416.00	394.77	386.00	348.70	316.08	298.00	275.92
Reconditioned Cast Iron	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.20	1.67
Total	3,174.11	3,178.56	3,187.71	3,210.00	3,193.00	3,205.08	3,201.00	3,206.09	3,208.94	3,226.84	3,221.70

For example, the leak rate for cast/wrought iron for 2022 was reported as 0.92. This was arrived at by dividing 544 leak repairs (excluding damages) which the Company performed on cast/wrought iron mains in 2022 by the 590.12 miles of cast/wrought iron main present in the Company's gas distribution system as of the end of 2022.

Prepared by or under the supervision of: Corey Hogg

Record Request No. 9

Request:

Please provide a schedule showing the difference between electric and gas (file in both dockets).

Response:

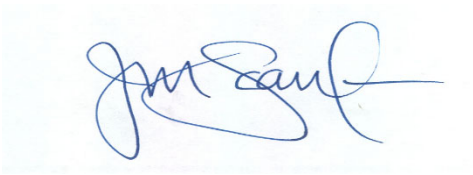
Please see Attachment RR-9, which is provided in Excel format, and which reflects the impact of the hold harmless adjustment on the total revenue requirement calculations in both the gas and electric ISR filings.

In summary, the FY2025 total revenue requirement will decrease by $1,314,444 in the Gas ISR as shown in Attachment RR-9, Page 2, Line 15. This decrease is related to the formula corrections of $3,680,445 offset by $2,366,001 related to the change in the NOL utilization period from 1 to 7 years. The FY 2025 total revenue requirement will increase by $1,250,081 in the Electric ISR as result of the change in the NOL utilization period from 1 to 7 years as shown in Attachment RR-9, Page 6, Line 12.

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

March 25, 2024
Date

Docket No. 23-49-NG- RI Energy's Gas Infrastructure, Safety and Reliability (ISR) Plan 2025 - Service List 2/28/2024

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