STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE:	**THE NARRAGANSETT ELECTRIC COMPANY d/b/a RHODE ISLAND ENERGY'S PROPOSED FY 2026 GAS INFRASTRUCTURE, SAFETY AND RELIABILITY PLAN**	:	**Docket No. 24-55-NG**

THE ATTORNEY GENERAL OF THE STATE OF RHODE ISLAND'S STATEMENT OF POSITION

NOW COMES Peter F. Neronha, Attorney General of the State of Rhode Island ("Attorney General"), and hereby provides the following statement of position in the above-captioned docket.

I. INTRODUCTION

The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company" or "RIE") seeks approval of a plan that would provide for significant spending on gas infrastructure while failing to adequately account for the drastic shift of the State's thermal sector required by the 2021 Act on Climate and its greenhouse gas emission reduction mandates. Given the risk of rate payers assuming costs related to what stands to potentially become useless infrastructure, the Attorney General urges the Public Utilities Commission (the "Commission") to deny approval of the proposed Plan to the extent that the Company has failed to support its claim that each proposed investment for its system meets the statutory requirement of being reasonable and necessary for safe and reliable service. This review requires consideration of both short- *and* long-term need in light of the Act on Climate with careful consideration of the potential financial implications of any approved expenditures that are not necessary this coming fiscal year and ultimately may prove avoidable.

The submission of an Infrastructure, Safety, and Reliability ("ISR") Plan is a statutory requirement for electric and gas distribution providers serving more than 100,000 customers, including RIE. *See* R.I. Gen Laws § 39-1-27.7.1 (the "Revenue Decoupling Statute"). However, the

Revenue Decoupling Statute does not require approval of that plan. *See id.* Rather, the Commission retains broad discretion in considering its approval of the ISR Plan proposed by the Company. *See id.* Like all state agencies, the Commission must integrate the emission reduction mandates of the Act on Climate when using that discretion. *See* R.I. Gen. Laws § 42-6.2-8.

Pursuant to R.I. Gen. Laws § 39-1-27.7.1, the Company must file an annual proposal with the Commission setting forth their intended spending plan for the coming fiscal year with respect to certain categories of spending, namely, for the gas utility company: "(1) [c]apital spending on utility infrastructure; . . . and (4) [a]ny other costs relating to maintaining safety and reliability that are mutually agreed upon by the [D]ivision and the [C]ompany." *Id.* at § 39-1-27.2-1(d). The long-term impacts of approved utility capital expenditure from both a cost and emissions standpoint evidence the Commission's exceptionally important role in achieving the State's net-zero emissions mandate by 2050.

The Company's Proposed Fiscal Year 2026 Gas ISR Plan ("FY26 ISR Plan") requests approval of some $186.62 million in capital investment, and expects an additional $22 million in anticipated paving costs. If approved as proposed, the average gas customer in Rhode Island would experience an expected average annual bill increase of $17.75 (1%) or $78.58 (4.4%), depending on treatment of paving costs. *See* FY26 ISR Plan, Book 1, Bates 54, 57-58 (December 31, 2024). In addition to the more than $200 million in budgeted expenditures, the Company has indicated that Pipeline and Hazardous Materials Safety Administration ("PHMSA") requirements may lead to an additional spend of almost $15 million for leak detection and repair, bringing the FY26 ISR Plan total up to an astronomical sum of more than $223 million, almost $31 million higher than last year's ISR spend. *See e.g.* Response to PUC 3-1 (Corrected February 5, 2025). These increases would only exacerbate difficulties for Rhode Island gas customers, as they continue to feel the impacts of previous capital investments and fluctuations in the extremely volatile natural gas supply market.

The pattern of yearly spending increases not only compounds on its own, but will be experienced alongside other financial pressures and the costs associated with transforming Rhode Island into a net-zero emissions economy. This will be especially difficult if federal funding and support to fight climate change and realize a cleaner energy future is limited following the recent administration change. If left unchecked, the result of continued spending on the gas distribution system could result in an unacceptable burden for Rhode Islanders.

Accordingly, the Commission must conduct an exacting review of whether the Company's proposed expenses are truly reasonable and *needed within this next fiscal year*. The Company receives generous and guaranteed profits in connection with any properly incurred investments in its gas infrastructure. The ISR Plan approval process was adopted to ensure that the utility continues to invest in the system and to provide safe and reliable service for its customers. However, especially in the face of the many challenges of climate change, we must also recognize the State's established goal of seeking to reduce reliance on fossil fuels when weighing potential options for addressing safety and reliability. The ISR Plan is not a blank check for completing as many projects as possible in a given year, and consideration of proposed spending must take into active account factors that can reasonably be expected to impact the utility's business as Rhode Island complies with the Act on Climate.

Continued annual increases in investment in the gas system while its future remains under examination in a separate docket, Commission Docket No. 22-01-NG, and the Rhode Island Executive Climate Change Coordinating Council ("EC4") considers a path forward in its drafting of a 2025 Plan for Act on Climate compliance, cannot be considered prudent. There is need for fiscal restraint, exercised in concert with careful analysis of what work must be completed now to ensure a safe and reliable system and where decreased levels of investment might be appropriate.

II. FAILURE OF THE COMPANY TO REACH CONSENSUS WITH THE DIVISION HEIGHTENS THE LEVEL OF REQUIRED SCRUTINY AND FURTHER EMPOWERS THE COMMISSION TO DENY REQUESTS FOR UNNECESSARY SPENDING, ESPECIALLY IN LIGHT OF THE ACT ON CLIMATE AND GENERAL UNCERTAINTY CONCERNING FUTURE USE OF NATURAL GAS.

In instances where the Company files its ISR Plan without securing agreement from the Division, the Commission's discretionary powers are heightened. The language in the Revenue Decoupling Statute shifts the standard for approval under these circumstances:

> If the company and the division cannot agree on a plan, the company shall file a proposed plan with the [C]ommission and the [C]ommission shall review and, if the investments and spending are found to be *reasonably needed* to maintain safe and reliable distribution service over the short and long term, approve the plan within ninety (90) days.

R.I. Gen Laws § 39-1-27.7.1(d)(4) (*emphasis added*). The Company's ISR Plan was filed without agreement from the Division, even after the sixty-day period during which the Company and the Division were required to make good faith efforts to agree on the ISR Plan. *See* R.I. Gen Laws § 39-1-27.7.1(4). At the time of filing, the Company stated that "the Division and the Company were able to tentatively agree on the plan and budget that has been filed with the [Commission,]" while also noting that "[t]he Division's review of the budget and plan is ongoing." FY26 ISR Plan, *Company Filing Letter*, Book 1, Page 2-3 of 5 (December 31, 2024). This is not the same as presenting a negotiated and agreed upon plan.

Accordingly, only those spending items that are *needed* for *safe and reliable service* in light of *known* short *and* long-term needs of the distribution system should be approved in the ISR Plan. Still, the FY26 ISR Plan seeks to continue what has become a pattern of increasing yearly spending and asking for more than just what is reasonably needed in the coming fiscal year. This is especially troublesome while the State continues to work to determine what role, if any, natural gas will play in its energy future given its legal obligation to reduce greenhouse gas emissions.

III. IT HAS BEEN ESTABLISHED IN RECENT ISR PROCEEDINGS THAT THE ACT ON CLIMATE REQUIRES NEW ANALYSIS OF WHAT IS REASONABLY NEEDED TO MAINTAIN SAFE AND RELIABLE SERVICE.

To ensure Rhode Island is able to combat the catastrophic impacts of climate change, we must conserve our financial resources and carefully consider any significant mid- to long-term investments in fossil fuels. This includes scrutiny of any investment in natural gas and related infrastructure. The Act on Climate sets aggressive decarbonization requirements for the State, including a 45% reduction in greenhouse gas emissions from 1995 levels by 2030, and requires all state agencies to conduct their regular business with achievement of these goals in mind. *See* R.I. Gen. Laws § 42-6.2-8. In just two-and-a-half decades, Rhode Island must reach net zero. *See* R.I. Gen. Laws § 42-6.2-9. This is no small undertaking, and success will take a committed and coordinated effort across the State.

Pursuant to the Act on Climate, the Commission must consider the State's mandated greenhouse gas emission reduction requirements when making any decision. *See* R.I. Gen. Laws § 42-6.2-8. This obligation extends to the Commission's authority to deny or approve recovery related to any spending under the ISR Plan that is not reasonably needed to ensure safe and reliable service. *Id.* In light of these statutory mandates, the Revenue Decoupling Statute's "reasonably needed to maintain safe and reliable distribution service" standard is now a higher bar than it was prior to passage of the Act on Climate.

The Commission's (and the Division's) faithful execution of the duty to protect the public interest in utility regulation is essential for Rhode Island to comply with the Act on Climate, especially since the thermal sector (residential heating, commercial heating, industry, and natural gas distribution) accounts for some 38 percent of emissions in the State. *See e.g.* EC4, *Rhode Island 2022 Climate Update*, 4 (December 15, 2022) (*citing* RIDEM 2019 Greenhouse Gas Inventory).

In fulfilling this duty, the Commission also has an opportunity to protect the public from excessive investment in infrastructure that might ultimately create financial liability and hardship in the future. While the State takes action to meet the requirements of the Act on Climate, there is significant risk of installing utility infrastructure that may need to be abandoned in the near or mid-term. The result of this would be stranded costs and regulatory assets that ratepayers will be left paying for long past their actual useful life. To be sure, "[a]s the Commission considers how Rhode Island will substantially reduce its emissions from natural gas by 2050, it confronts the risk of stranded assets." Commission Docket 23-49-NG, *FY25 ISR Plan*, Commission Order 25228 at 33. Accordingly, "[t]he Commission cannot ignore the growing risk of stranded costs driven by rising capital investments and the potential impact of the Act on Climate on the gas system." *Id.* at 35. What is more, as the number of gas customers potentially dwindles with new programs, requirements, and the emergence of new and improving technologies such as heat pumps, the customers remaining on the system stand to find themselves responsible for even greater financial burdens under today's rate structures. As a result, the Act on Climate requires the ISR Plan to consider ways to "minimize[e] stranded asset risk[.]" *See* Docket 22-54-NG (FY2024 ISR Plan), Commission Order 24802 at 33. Moreover, "[c]ontinuing to implement an aggressive strategy for main replacement ignores the possible outcomes that may arise from that review that is driven by the Act on Climate." *Id.*

IV. DESPITE NOTING CLAIMED CONSIDERATIONS OF FUTURE EMISSION REDUCTIONS, THE COMPANY'S SPENDING APPROACH LACKS ANY MEANINGFUL CHANGE.

As in years past, the Company's primary argument for consistency with the Act on Climate hinges on a showing that replacement of leak prone pipe will reduce methane emissions. *See e.g.* FY26 ISR Plan, *Lafond Testimony*, Book 1, Bates 4 (noting that "The [FY26 ISR] Plan [ ] helps reduce the annual methane emissions released by the gas distribution system, primarily through the replacement and abandonment of leak-prone pipe with its Proactive Main Replacement program."); *see also e.g. id.* at Book 1, Bates 45 (similarly noting that leak prone pipeline replacement is the Company's primary means of emission reduction). However, claims of reduced methane emissions do not necessarily support large-scale investment in pipe replacement. When calculating the reduction in methane, the Company indicates that it expects to reduce methane by roughly 14,357 thousand cubic feet ("MCF") over 12 months by replacing some 57.2 miles of leak prone pipe. *See* FY26 ISR Plan, Section 1, Bates 51. However, the FY26 ISR Plan also contemplates a proactive main replacement budget of $78,400,000 and a proactive service replacement budget of $1,875,000. *See id.* at Section 2, Bates 63. While these may not be a perfect comparison, it is clear the cost of pipe replacement is quite high for each avoided MCF.

At the same time, complete abandonment of a main or service line without replacement emits no methane at considerably less cost (and potentially no cost in some cases). Moreover, there is a limit to how many MCFs could possibly be avoided through leak-prone pipe replacement. In fact, MCF savings from leak-prone pipe replacement were intentionally not considered by the EC4's consultants altogether when developing the 2022 update "because the level of uncertainty surrounding EPA's per mile emission factors is too high." *EC4*, Rhode Island 2022 Climate Change Update ("2022 Update"), at 70, December 15, 2022.[1] Accordingly, Rhode Island's current strategy to meet the 2030 Act on Climate mandate does not rely on the continuation of the Company's pipe replacement program. Meanwhile, "[g]as mains that are replaced through this program have an expected lifespan between 50-100 years, locking in gas infrastructure well beyond the target date for an emissions- free state." *Id.* at 8. As the 2022 Update concludes, "[i]t would be imprudent to continue to reinforce and expand gas infrastructure that could not be easily and affordably decarbonized by 2050." *Id.* at 91.

To its credit, the Company's FY26 ISR Plan seemingly acknowledges that simply replacing leak prone pipe is not enough to address the State's environmental concerns. As noted in testimony, the Company is investigating a few new approaches to emission reductions, including (1) use of drawdown compressors to transfer natural gas from isolated sections of main rather than simply off

[1] Available at https://climatechange.ri.gov/media/1221/download?language=en.

gassing;[2] (2) internal efforts to continue considering segments of the gas system that could potentially be abandoned with affected customers' equipment converted to electric or alternative energy based on criteria provided in the Company's July 24, 2024 criteria proposal provided in Docket 23-49-NG pursuant to Commission Order 25228; and (3) a planned feasibility study for a potential hydrogen blending project.[3] *See* FY26 ISR Plan, *Hunt Testimony*, Book 1 at Bates 26-28. The Plan also generally claims to have taken efforts to "employ cost effective scalable solutions, such as portable LNG equipment, to adapt the gas distribution system to any changes to the delivery of energy that might arise because of the mandates of the Act on Climate[.]" *See* FY26 ISR Plan, Book 1 at Bates 45. However, simply acknowledging a need to consider change outside of the ISR Plan is a far cry from what is needed, and the FY26 ISR Plan is lacking in tangible examples of actual change to the Company's approach. There needs to be transparency and discussion of the Company's considerations and options with respect to infrastructure spending.

Moreover, adjustments to spending pace are appropriate where internal and external considerations of how to address Act on Climate remain ongoing. Since 2022, the Commission has been examining the future of the gas distribution system in light of the Act on Climate. *See generally*, Commission Docket No. 22-01-NG (the "Future of Gas Docket"). That Docket remains ongoing and could ultimately "reveal that the gas system should be repurposed or abandoned." Docket 22-54-NG (FY2024 ISR Plan), *Order* 24802 at 33. In the Future of Gas Docket, Energy and Environmental Economics ("E3") prepared a "Final Technical Analysis" outlining several paths towards compliance with the Act on Climate. The report is attached to the FY26 ISR Plan at LG-1. Although the Company claims that the "Continued Use of Gas" scenario outlined in the E3 Report was determined to be the likely lowest overall cost for customers, it fails to accurately acknowledge that this analysis

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[2] Note: purchase of this technology is being evaluated, but "is not currently in the Company's FY2025 Forecast or the Company's FY2026 Gas ISR Proposal.

[3] This will be funded outside of the ISR Plan.

did not account for many external and social costs and that even the so-called Continued Use of Gas scenario requires significant changes in the gas distribution system. *See* FY26 ISI Plan, *Gresham Testimony*, Book 1 at 40; *see also* Final Technical Analysis at 110 (noting that "all scenarios imply a transformation in the role and use of the gas system in the next decades."). All scenarios in E3's analysis included cost estimates between $14-17 Billion on the lower bound, and $19-26 Billion on the higher bound. *See e.g.* E3 Final Technical Report at 81. Moreover, "[p]lanned levels of capital expenditures through the ISR program cause the annual gas revenue requirement to nearly double towards 2050, with variations across scenarios in the number of new gas connections assumed." *Id.* at 110. At the same time, "[i]f RIE could avoid up to 50% of capital replacements in the next decades, the size of the rate base could be reduced to $1.5B." *Id.* at 111.[4]

There is far more work to be done with respect to understanding the future of the gas distribution system in light of the Act on Climate. Several stakeholders, including the Attorney General's Office, have supported continued work to better understand the options currently available and to identify the best path forward. This could include examination of the way accounting for gas has typically been done. *See e.g.* Docket No. 22-05-NG, Attorney General Comments on Draft Staff Report Outline at 12-13 (suggesting that the docket be used to develop a framework for reassessing accounting for distribution system investments in light of potentially shorter investment useful life). Additionally, there is support for a potential recommendation by Commission staff that the Commission develop formal emission targets specific to the gas distribution system. *See e.g. id.* at 8 (noting Attorney General's support for development of such targets and a potential accounting framework for compliance with emission reduction requirements). Additionally, the Company's ongoing efforts to identify segments of the gas system that could potentially be abandoned in accordance with the criteria developed in response to last year's ISR Plan decision should be moved

[4] Note: 50% was chosen by E3 as an assumed maximum of avoided costs for illustrative purposes.

into the Future of Gas Docket, or a sub-docket therein, so that interested stakeholders can aid the Company and offer feedback to help develop an actionable plan based on actual feasibility of abandonment in light of the distribution system as it exists today.

Additionally, EC4 is likely to weigh in on these issues in its 2025 plan for compliance with the Act on Climate. Pursuant to the Act on Climate, EC4 must, in 2025 and every five (5) years thereafter, submit an updated plan "that includes strategies, programs, and actions to meet [the Act's] economy-wide enforceable targets for greenhouse gas emissions reductions[.]" *See* R.I. Gen. Laws § 42-6.2-2(a)(2)(i); *see also id.* at § 42-6.2-2(a)(2)(i)-(vi) (outlining detailed requirements for the EC4 plan, including potential direction for regulatory changes to be enacted by agencies). This plan is expected to be informed by the work already undertaken in the Commission's Future of Gas Docket, and will likely provide further insight into the direction Rhode Island will be heading in the coming years. As such, commitment to increased expenditure on gas infrastructure now, only stands to limit the options available while the State works to determine next steps in the near future.

Given the numerous uncertainties concerning a long transition period, including the speculative nature of technical feasibility and potential alternative fuel costs, there remains much uncertainty about the best path forward. In light of this, the Company notes that:

> As new data emerges and technical and economic uncertainties are reduced, the Company may be in a better position to explore nuances associated with natural gas distribution and end use decarbonization strategies and deploy the most promising technologies to meet climate targets while remaining primarily focused on safety, reliability, and affordability for all customers.

However, the Company has failed to adjust its behavior in response to this potential opportunity to effectively deploy change. Uncertainty should not be used as cover for increased spending while solutions are identified. Instead, these remaining questions and continued efforts to identify our State's path forward should only further support the need for slowed spending whenever possible, ensuring that resources are available to support the most efficient transition into the future.

V. APPROVAL OF INCREASED SPENDING THAT FAILS TO MEET THE "REASONABLY NEEDED" STANDARD COULD HARM RHODE ISLANDERS FOR DECADES TO COME.

As noted above, the Commission is being asked by the Company to continue to approve spending on long-term investments without understanding how the Company expects to adjust its operations going into the future. As costs related to infrastructure improvements rise, the requested funding rises in kind. For instance, the Company has projected a 41% increase in expenditure related to Main Replacement and Rehabilitation from FY25's estimate of $107,703,000 to FY26's estimate of $152,302,000. *See Response to Data Request Division 3-2*. By way of explanation, the Company notes that "the entire cost of installing mains and services ha[s] risen in step with inflation seen across the rest of the economy." *Id.* However, the Company also explains that as it realized its spending was outpacing budget, it was able to make adjustments to minimize overspending in FY25. *Id.* (noting that the Company "curtailed external spend on outside contractors in an attempt to limit overspending on Group A in FY2025"). This ability to adjust spending in response to budgetary constraints (and potential regulatory lag associated with overspending its approved buffer for the FY25 ISR Plan) suggests that the Company may be able to prioritize certain work while deferring other projects and still maintaining a safe and reliable system. This is something that should be considered at the planning stage, while the Company is identifying what investments are *necessary* for safe and reliable service such that they are appropriately included within an ISR Plan, not after a plan has been approved based on a claim of need.

Notwithstanding the potential major shift in pipeline use and infrastructure, the Company's continued requests for increased budgets suggest that all risk should remain with gas customers while the Company should be able to recover all investments in full. However, capital expenditures are already burdening ratepayers, and will continue to do so for years into the future because of the utility's decision to double-down on its profits from the distribution of fossil fuels. Additionally, the costs have proven to be far more than the initial investment numbers suggest, and if the Company's plan is approved as submitted, this trend will only continue. As is exemplified in the Company's filing at Section 3: Attachment 1, $66,206,325 of the proposed revenue requirement in Fiscal Year 2025 comes from Incremental Capital from FY 2018-2025[5] that is included in the rate base, amounts that must now be paid by ratepayers for past expenditures. *See* FY26 ISR Plan at Section 3: Attachment 1.

Moreover, based on forecasts, the revenue requirement expected from Fiscal Year 2025 Capital Investments was $6,347,480. The revenue requirement for 2025's investment is expected to almost double to $12,590,944 in Fiscal Year 2026. *See id.* This highlights the fact that investments approved now will continue to burden ratepayers in years to come, narrowing the capacity of ratepayers to afford future alternate investments. This has the potential to spiral into ultimately unrecoverable costs that could burden Rhode Islanders for decades. As noted in E3's Report, future scenarios where there is high departure from the gas distribution system, Rhode Island faces potential unrecovered rate base of $2.6 billion by 2050. *See* E3 Final Technical Analysis at 6.

VI. RHODE ISLAND MUST BE ESPECIALLY CAREFUL NOT TO OVERSPEND ON FOSSIL FUELS IN LIGHT OF CHANGING FEDERAL POLICY AND POTENTIAL FUNDING REDUCTIONS.

In light of potential effects of federal policy shifts under the new administration, Rhode Island must be increasingly careful not to improperly allocate its people's limited resources. Regardless of the federal government's position on alternative energy sources and efficiency programs, Rhode Island must comply with its legal obligations under the Act on Climate. While strategies employed up to now have been able to rely (at least to some extent) on cooperation from the federal government through policies and grant money designed to help in the efforts to combat climate change, the financial burden may increasingly fall on state efforts and resources to accomplish those goals. As a result, dollars spent on utility infrastructure may directly limit funds reasonably available to

[5] Note, 2024 and 2025 numbers are forecasted.

implement energy efficiency programs, transitions away from fossil fuels in the thermal and transportation sectors, and other critical steps towards reducing emissions.

There is no doubt that Rhode Island will remain committed to doing the right thing and working to reduce its own carbon footprint despite the likely increased difficulty in doing so. This work is essential to avoid the worst impacts of climate change which threaten to drastically affect life in our coastal state. To that end, the Commission's role in avoiding overspend on fossil fuels and ensuring consistency with the Act on Climate has never been more important than it is today.

VII. THE COMMISSION MUST DENY ANY PROPOSED EXPENDITURES THAT THE COMPANY FAILS TO PROVE ARE REASONABLY NEEDED FOR SAFE AND RELIABLE SERVICE AND SHOULD ATTEMPT TO LIMIT SPENDING TO AVOID ANY INCREASE IN THE AVERAGE ANNUAL BILL.

As it has in each of the past two years, the Company is proposing increased expenditures while the State considers how to transform the gas distribution system to meet legally mandated reductions in greenhouse gas emissions. This request is inherently imprudent. The Company is proposing to increase its infrastructure investments because revenue mechanisms guarantee its profits are collectible from ratepayers, even when decisions in other states, such as Massachusetts, are signaling that those revenue mechanisms may also need to be transformed. *See e.g.* MA DPU Docket 20-80-B, *Order on Regulatory Principles and Frameworks*, (Dec. 6, 2023) (highlighting a need to tie recoverability of investments in the gas system to consistency with state emission targets).

The Commission must ensure that the Company is adequately investing to ensure safe and reliable service, but that every effort is made to avoid any investments likely to create stranded costs and place the needed transformative change to the gas distribution system in jeopardy. In the coming years, we will be asking Rhode Islanders, many of whom are already on a tight budget, to choose investments in air source heat-pumps, electric vehicles, and installing insulation to meet climate resiliency goals over other preferred spending. These choices stand to come at even higher cost should federal support and funding be removed. Accordingly, we must ask the Company to shift its investments and save for future years in the same manner to ensure that they are truly needed.

Regardless of the pathway ultimately chosen by Rhode Island, compliance with the Act on Climate will require economy-wide investments and changes in many aspects of our daily lives. Should the State fail to adapt, and continue to authorize investment-as-usual, there stand to be real consequences for the environmental and financial health of our State. The Commission must hold the Company to a reasonable budget to avoid unnecessary financial burden on ratepayers that will outlast the current gas distribution system. This means, at minimum, denying any increase in ISR spending, and perhaps decreasing the spending where the Commission can determine that it is not necessary for immediate maintenance of safe and reliable service.

Certainly, no increase in the average annual bill due to ISR should be approved until there is some clarity about what investments will be needed to make the future of the natural gas distribution system a reality that meets the mandates of the Act on Climate. As this docket progresses with additional testimony and discovery, the parties and the Commission must carefully look to identify opportunities to curb the risk of stranded costs. Each upgrade, expansion, equipment purchase, facility, and other future-looking investment must be viewed through a critical lens, and only those proposals that are clearly shown to be reasonably needed in the short term to ensure safe and reliable gas service should be approved.

Respectfully submitted,

PETER F. NERONHA ATTORNEY
GENERAL OF THE STATE OF RHODE
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By his Attorney,

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Dated: February 7, 2025

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of February 2025, the original and five hard copies of this document were sent, via electronic mail and hand delivery, to Stephanie De La Rosa, Clerk of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. In addition, electronic copies of the Statement of Position were served via electronic mail on the service list for this Docket on this date.

/s/ Nicholas M. Vaz