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October 10, 2025

VIA HAND DELIVERY AND ELECTRONIC MAIL

Stephanie De La Rosa, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
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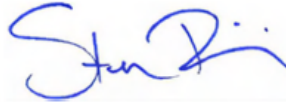
**RE: Docket No. 23-49-NG – The Narragansett Electric Company d/b/a Rhode Island Energy
FY 2025 Gas Infrastructure, Safety and Reliability Plan Reconciliation Filing
Pre-Filed Rebuttal Testimony of Philip LaFond**

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), I have enclosed the Pre-Filed Rebuttal Testimony of Philip LaFond in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-709-3359.

Very truly yours,



Steven J. Boyajian

cc: Docket 23-49-NG Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were 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.



Heidi J. Seddon

October 10, 2025

Date

Docket No. 23-49-NG- RI Energy's Gas Infrastructure, Safety and Reliability (ISR) Plan 2025 – Service List 8/5/2025

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PRE-FILED REBUTTAL TESTIMONY

OF

PHILIP LAFOND

October 10, 2025

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET NO. 23-49-NG
FY 2025 GAS INFRASTRUCTURE, SAFETY AND
RELIABILITY PLAN ANNUAL RECONCILIATION
WITNESS: LAFOND**

Table of Contents

I.	Introduction and Qualifications.....	1
II.	Purpose of Rebuttal Testimony	1
III.	Company Response to Division Memorandum.....	2
IV.	Conclusion.....	6

1 **I. Introduction and Qualifications**

2 **Q. Please state your name and business address.**

3 A. My name is Philip LaFond. My business address is 477 Dexter Street, Providence,
4 Rhode Island 02907.

6 **Q. Have you previously submitted testimony in this proceeding?**

7 A. Yes, I previously submitted pre-filed concerning the The Narragansett Electric Company
8 d/b/a/ Rhode Island Energy's (the "Company") Fiscal Year ("FY") 2025 Gas
9 Infrastructure, Safety and Reliability ("ISR") Plan Annual Reconciliation (the "FY2025
10 Gas ISR Reconciliation") on August 1, 2025. My professional biographical information
11 and qualifications were provided therein.

13 **II. Purpose of Rebuttal Testimony**

14 **Q. What is the purpose of your rebuttal testimony?**

15 A. The purpose of my rebuttal testimony is to respond to the Memorandum of Alberico
16 Mancini submitted on behalf of the Rhode Island Division of Public Utilities and Carriers
17 (the "Division") on October 1, 2025 (the "Division Memorandum").

1 **Q. How is your rebuttal testimony organized?**

2 A. Section I of my rebuttal testimony is the introduction. Section II provides the purpose
3 and structure of this testimony. Section III provides the Company's response to the
4 Division Memorandum. Section IV is the conclusion.

5
6 **III. Company Response to Division Memorandum**

7 **Q. Does the Company agree with the Division's assertion that the factors that led to the**
8 **increase in cost for the Scott Road project were reasonably foreseeable?**

9 A. No. The Company disagrees with the assertion that the factors leading to the increase in
10 costs for the Scott Road take station improvement project were reasonably foreseeable.

11
12 As explained in my pre-filed direct testimony dated August 1, 2025, the take station
13 rebuild at Scott Road was significantly different than the design that formed the basis of
14 the budget estimate proposed in the FY 2025 Gas ISR Plan filed with the Public Utilities
15 Commission ("Commission") on December 31, 2024. The Company's plans for this
16 station were changed in the midst of the FY 2025 ISR Plan review and Commission
17 proceedings, and the Company did not have a firm assessment of what the new station
18 would cost until after the Commission approved the FY2025 Gas ISR Plan. The redesign
19 of the project was necessitated by a number of factors outside of the Company's control
20 including emerging risks in the natural gas market that could have affected the
21 availability of resources upon which the Company previously relied to maintain reliable

1 service to customers; the Company's planning to mitigate those risks; and considerations
2 regarding the potential to reduce future infrastructure spending associated with the
3 Company's Cumberland liquefied natural gas facility. The Company communicated the
4 increase in the project cost estimates to the Division verbally, and through quarterly
5 reports filed on August 15, 2024, November 15, 2024, February 14, 2025 and May 15,
6 2025, as soon as it became aware that the project was going to be more expensive than
7 originally anticipated.

8
9 **Q. Does the Company agree with the Division's assertion that allowing full recovery for**
10 **FY 2025 Group C capital additions undermines the message of budgetary restraint**
11 **and proper planning?**

12 A. No. As the Division observed in the Division Memorandum, in advancing the important
13 redesign of the Scott Road take station project, the Company decided not to advance
14 other projects in Group C in order to limit overspend in that budget category. The
15 overspend in Group C resulted from the Company's decision to redesign the Scott Road
16 take station to best serve customers, and that decision needed to be made during FY2025
17 after the FY2025 Gas ISR Plan had been approved. The Company has not asked to be
18 excused from the significantly larger revenue requirement adjustment related to the
19 overspend in Group A as the overspend in that category did not arise from the
20 confluence of market conditions and ISR Plan approval process timing that caused the

1 overspending in Group C, or the uncontrollable timing of meter deliveries that caused the
2 overspending in Group D.

3
4 The Company does not request nor mean to suggest that a waiver of the revenue
5 requirement adjustment in this instance creates a precedent whereby all major projects
6 can be recategorized to an uncapped budget group (Group E) to avoid a revenue
7 requirement adjustment once an overspend occurs. The Company maintains that the
8 circumstances of the Scott Road take station project warrant the recategorization of this
9 project as a Group E Separately Tracked Major Project. The Division's position
10 imposes a rigidity to the ISR budget framework that would penalize prudent decision
11 making during the term of an ISR plan. The Commission, in its order approving the
12 FY2025 Gas ISR Plan stated that, the budget framework "should balance the ISR's goal
13 of facilitating consistent levels of investment in the system that are needed for safety and
14 reliability with the need to hold the Company accountable to its approved budgets." The
15 Company maintains that it has demonstrated budget accountability in the other categories
16 of this ISR reconciliation filing; however, the circumstances of the Scott Road take
17 station project warrant recategorization for the reasons discussed above to ensure a
18 consistent level of investment necessary for safety and reliability.

1 **Q. Should the ISR budget framework allow for recategorization of projects?**

2 A. Yes. The ISR budget framework contemplates that projects with total spending in excess
3 of \$10 million over two or more fiscal years be categorized as separately tracked major
4 projects withing budget Group E. After the Scott Road project was underway it became
5 apparent that it fit this definition. The Company indicated this in each of its FY2025 Gas
6 ISR quarterly reports, as it pursued the project in the best interests of customers, and
7 proposed the recategorization of the project through its FY2026 Gas ISR Plan. The
8 circumstances illustrate that there exist many factors that could lead to a multi-year
9 project forecast crossing the spending threshold to become, by definition, a Separately
10 Tracked Major Project. These factors include necessary scope or design changes,
11 unexpectedly high contractor bids, and others.

12
13 Whether or not the Commission permits recategorization of the Scott Road take station
14 project into Group E as part of this reconciliation filing, the Company submits that a
15 mechinsm should exist through which the Company can present, and the Commission can
16 consider, the recategorization of a project that is underway. The purposes of the
17 Separately Tracked Major Projects category, including additional transparency and detail
18 regarding project goals, budgets and costs, would be defeated if projects that meet the
19 definition of the group are excluded from it.

20

1 IV. Conclusion

2 Q. Does this conclude your rebuttal testimony?

3 A. Yes.