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February 19, 2026

VIA ELECTRONIC MAIL AND HAND DELIVERY

Stephanie De La Rosa, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 25-54-EL – The Narragansett Electric Company d/b/a Rhode Island Energy
Proposed FY 2027 Electric Infrastructure, Safety, and Reliability Plan
Supplemental Response to PUC 1-5**

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), I am enclosing the Company’s supplemental response to PUC 1-5 in the above-referenced matter.

Thank you for your attention to this transmittal. If you have any questions or concerns, please do not hesitate to contact me at 401-316-7429.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson

Enclosure

cc: Docket No. 25-54-EL Service List

In Re: Proposed FY 2027 Electric Infrastructure, Safety and Reliability Plan
Responses to the Commission’s First Set of Data Requests
Issued on January 27, 2026

PUC 1-5 - Supplemental¹
Capital Spending – Non-ISR

Request:

On Bates page 16, Mr. LaFond explains the company chose to advance certain projects outside of the ISR. Please provide:

- a. A brief explanation of each project.
- b. The reasons the company believes each project is necessary, including an explanation of what issue will be resolved by each project.
- c. The expected spending on each project in FY 2026 and FY 2027.

Original Response:

- a. The following projects are being executed outside the ISR. Included is a description of each project. Each of these projects has previously been proposed in an ISR docket for approval and a reference docket for each is given to provide additional information.

	(a)	(b)	(c)
1	Project	Description	Reference Docket
2	Phillipsdale Substation and Distribution Line projects	Rebuild substation and distribution line to address asset condition risks, provide load relief, to other area substations, and advance the retirement of the 23kV sub-transmission system.	23-48-EL Attachment 5
3	Providence Longterm Study Phase 5 - Auburn Substation and Distribution Line projects	Rebuild and convert the existing substation and retire other area substations due to asset condition risks and loading issues.	24-54-EL
4	Division Street Substation – replacement of T1 and T2	Replace two substation power transformers, and associated equipment, due to asset condition.	23-48-EL Attachment 5
5	Johnston Substation VVO/CVR project	Install capacitors and regulators to optimize the performance of the distribution system and deliver energy at peak efficiency.	24-54-EL
6	Staples #112 Reliability projects	Reconductor distribution line with spacer cable and install feeder tie to improve reliability.	24-54-EL Attachment 5
7	Spare Transformer Purchases	Procure spare substation power transformers to improve resiliency and reduce the risk of unserved load and/or contingency loading issues.	24-54-EL Attachment 5
8	Mobile Substation Purchases	Procure mobile substation components to improve resiliency and reduce the risk of unserved load and/or contingency loading issues.	24-54-EL

All dollars values are given in millions.

¹ The Company’s Supplemental Response begins on page 4.

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- b. The Company observes that nothing in the Revenue Decoupling Law prevents the Company from making investments that the Company determines are reasonably necessary and prudent investments for safe and reliable service and to recover the costs of those investments outside of the ISR Plan process (e.g., future base distribution rate case). The Commission acknowledged as much in its written order in Docket No. 24-54-EL,

[T]he Commission reminds the Company that nothing in the framework nor the decision to limit eligibility for ISR cost recovery relieves the Company from adequately investing in its system. It is the Company and not the Commission that ultimately bears responsibility to provide safe and reliable service. The ISR serves as an accelerated cost recovery tool for investments that the Company can prove meet the statutory standard. Nothing in this order prohibits the Company from making needed investments and seeking cost recovery in its next rate case.² (citations omitted)

The Company decides whether to proceed with investments outside of the ISR process by applying the same rigorous examination of system risk and need as those made within the ISR. With respect to the projects listed in part a., above, the Company has included its justification and needs analysis for these projects as part of prior ISR Plan filings, and those justifications and needs analyses have not changed. Indeed, the Company maintains that these projects should otherwise be eligible for recovery through the ISR, and the Division did not object to the need for these projects when it examined the Company’s FY 2026 ISR Plan. Notwithstanding, as explained in the Pre-Filed Direct Testimony of Company witness Philip LaFond in this docket, to maintain the FY 2027 ISR budgets relatively flat over FY 2026, and to continue to make the investments it has identified as necessary for the safety and reliability of the electric distribution system, the Company determined that the best course of action is to progress certain projects outside the ISR.³

The Company interprets R.I. Gen. Laws § 39-1-27.7.1 (“Revenue Decoupling Law”) to apply to investments which are included in the Company’s proposed ISR plan for the prospective fiscal year and are eligible for prospective cost recovery through the ISR mechanism. If there is not an agreement between the Company and the Division with respect to a proposed ISR plan and budget, the standard for approval of cost recovery as part of the ISR annual cost recovery mechanism is that the proposed investments must be “reasonably needed to maintain safe and reliable distribution service over the short and the

² Report and Order No. 25470, Docket No. 24-54-EL at 15-16 (July 17, 2025).

³ Rhode Island Energy Proposed FY 2027 Electric Infrastructure, Safety, and Reliability Plan, Docket No. 25-54-EL, Pre-Filed Direct Testimony of Company Witness Philip LaFond at 17.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 25-54-EL

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long term.” In exchange, the Revenue Decoupling law provides the Division and the Commission with granular visibility and real-time review of the Company’s proposed investments. Unlike the prospective cost recovery mechanism in the ISR, investments made outside of the ISR process are not subject to the same review process and standard as ISR projects under the Revenue Decoupling law; thus, the Company, as the asset manager, may use its discretion to make the investments it determines are necessary to meet its obligations to maintain safety and reliability, provided the Company can demonstrate that such investment decisions were reasonable and prudent under the circumstances existing at the time it made the investment decision.

- c. Subject to the explanation in part b., above, the Company provides the actual and forecasted spending for the projects listed in part a., above in FY 2026 and FY 2027.

	(a)	(b)	(c)	(d)
1	Project	Pre-FY 2026 CAPEX	FY 2026 CAPEX Forecast	FY 2027 CAPEX Forecast
2	Phillipsdale Substation and Distribution Line projects	\$0.87	\$3.70	\$7.50
3	Providence Longterm Study Phase 5 - Auburn Substation and Distribution Line projects	\$0.00	\$0.20	\$5.60
4	Division Street Substation – replacement of T1 and T2	\$0.10	\$0.40	\$3.00
5	Johnston Substation VVO/CVR project	\$0.00	\$0.10	\$1.40
6	Staples #112 Reliability projects	\$0.20	\$1.60	\$2.30
7	Spare Transformer Purchases	\$0.00	\$7.80	\$14.90
8	Mobile Substation Purchases	\$0.00	\$3.20	\$5.70

All dollars values are given in millions.

The Narragansett Electric Company
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Supplemental Response:

Subpart b.

In response to the Public Utilities Commission’s (the “PUC”) email dated February 13, 2026, stating that the Company did not answer the question asked in subpart b., the Company is providing this supplemental response.

As a threshold matter, the Company respectfully disagrees that it did not answer the question asked in subpart b. of this request. Subpart b. requests that the Company provide the reasons it believes each project identified in subpart a. is necessary, including an explanation of what issue will be resolved by each project. In its response, the Company provided the reasons why it believes each project is necessary and explained that the justification and need for these projects was provided as part of prior ISR Plan filings referenced in the table provided in the response to subpart a., stating that the justifications have not changed.

Notwithstanding the above, the Company is providing the attachments set forth in the table below, which includes information the Company provided in previous dockets.

Project	Attachment
Phillipsdale Substation and Distribution Line projects	PUC 1-5-2 provides the Sanction Paper addressing the reasons for the project and the explanation of the issues the project will address. PUC 1-5-1 provides the related East Bay Area Study.
Providence Longterm Study Phase 5 - Auburn Substation and Distribution Line Projects	Attachment PUC 1-5-5 is the Providence Phase 5 Sanction Paper dated May 2024. Attachment PUC 1-5-4 is the related Providence Area Study Implementation Plan 2016-2030. Attachment PUC 1-5-3 is the related Central Rhode Island East Area Study
Division Street Substation— replacement of T1 and T2	Attachment PUC 1-5-7 is the CRIW Substation Asset Condition Work Sanction paper dated October 2025, which discusses this project as the Division St #61 project. Attachment PUC 1-5-6 is the related Central RI West Area Study that formed a basis for the Sanction Paper.
Johnston Substation VVO/CVR project	Attachment PUC 1-5-8 is the VVO/CVR Program Sanction Paper dated August 11, 2025

PUC 1-5 – Supplemental, page 5

Project	Attachment
Staples #112 Reliability projects	Attachment PUC 1-5-10 is a Fact Sheet for the Staples #112 Reliability 112W43 – BSVS Attachment PUC 1-5-11 is a Fact Sheet for the Staples #113 Reliability 112W44 – BSVS project Attachment PUC 1-5-9 is the related Blackstone Valley South Area Study.
Spare Transformer Purchases	Attachment PUC 1-5-12: An excerpt of the Proposed FY 2025 Electric Infrastructure, Safety, and Reliability Plan, Bates pages 147-149.
Mobile Substation Purchases	Attachment PUC 1-5-13: An excerpt of the Proposed FY 2025 Electric Infrastructure, Safety, and Reliability Plan, Bates pages 150-151.

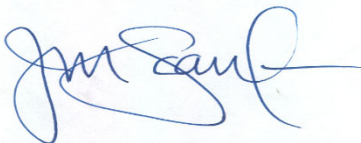
Note that Area Studies provided are redacted. The Company previously provided unredacted confidential versions of these Area Studies, and those unredacted confidential versions remain on file with the PUC.

The budget reductions in the FY 2026 ISR Plan required the Company to make decisions, within its management discretion, on which projects to progress outside the ISR rate mechanism to adequately invest in its electric distribution system and provide safe and reliable service, consistent with its planning criteria. When doing so, the Company expects to follow the normal regulatory process for demonstrating the appropriateness of its investments in these projects and cost recovery of them after the Company includes them in its rate base, most likely as part of a future base distribution rate case proceeding.

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 19, 2026

Date

**Docket No. 25-54-EL – RI Energy’s Electric ISR Plan FY 2027
Service List as of 1/9/2026**

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