



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Legal Section

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March 3, 2026

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

**Re: The Narragansett Electric Co. d/b/a Rhode Island Energy's Proposed FY2027
Electric Infrastructure, Safety and Reliability Plan
Docket No. 25-54-EL**

Dear Ms. De La Rosa:

Attached for filing please find the Division's Responses to RI Energy's First Set of Data Requests directed to the Division in this matter.

Please let me know if you have questions or comments.

Very truly yours,

/s/ Gregory S. Schultz

Gregory S. Schultz, Esq.

cc: 25-54-EL Service List
Enclosure

RIE 1-1

Request:

Reference the Prefiled Direct Testimony of Gregory L. Booth, PE at page 14, lines 2 through 4, Mr. Booth testified: "The Division supported an overall ISR Plan budget of \$136.4 million as initially proposed by the Company and suggested that projects could be deferred or modulated . . ." and Mr. Booth's testimony at page 25, line 10, through page 26, line 5 (including the table on page 26). Please identify each and every project that The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company") included in its fiscal year ("FY") 2027 Electric Infrastructure, Safety, and Reliability ("ISR") Plan budget (the "FY 2027 Electric ISR Plan Budget") that the Division of Public Utilities and Carriers (the "Division") has identified can be deferred or modulated.

Response:

The Division's position has always been that it is the Company's responsibility to determine how it can modulate spending to achieve affordability while recognizing an acceptable level of risk. It is the Company's responsibility to cost justify its projects, especially for a system that is not suffering from poor reliability. Each year, the Company develops its annual work plan and a proposed 5-year capital plan by going through iterations of project priorities to meet an internal budget.¹ Non-discretionary requirements are estimated leaving all discretionary projects as candidates for adjustment to meet an overall capital budget. The Company has full latitude in adjusting discretionary projects to meet budgets and the Division requested this of the Company during the preliminary FY 2027 ISR Plan discussions. Specifically, the Division asked the Company to include non-ISR Plan projects in the ISR Plan analysis, re-prioritize projects based on need and risk, and put forth a plan to meet a budget target of approximately \$136 million. Since the preponderance of discretionary spend is driven by substation related projects, the Division provided the Company with a list of substation projects which it believed could be deferred or modulated as a starting point for discussions. Discussions never progressed on specific projects that could be deferred or modulated but the Division maintains its position that all discretionary projects are candidates for adjustment.

Prepared by or under the supervision of Gregory L. Booth, P.E.

¹See the Capital Work Plan Process (flow chart) in the Proposed FY 2027 ISR Plan, Chart 1, Bates p. 70 and also contained in previous ISR Plan filings.

RIE 1-2

Request:

For each project identified in the Division's response to RIE 1-1, please provide the complete factual basis, including all technical analyses and data, supporting the Division's conclusion that the project can be deferred or modulated without posing an unacceptable risk to the safe and reliable operation of the Company's electric distribution system over the short term and long term. (To the extent that the projects identified in the Division's response to RIE 1-1 include those set forth in the table provided on page 33 of Exhibit GLB-2, this data request seeks greater detail than the information provided in the "Rationale" column of that table.)

- a. For purposes of this response, technical analyses should include asset condition reviews conducted by subject matter experts and operators that include results from equipment testing protocols, for example a power transformer Dissolved Gas Analysis or a substation power factor test. Data should include maintenance and repair history. Industry issues (SiC arresters, U-type bushings, Butyl Type voltage transformers, etc.), reliability, contingency loading, voltage performance.
- b. For purposes of this response, please provide the Division's definition of "unacceptable risk."

Response:

As a general point, in order to perform a technical analysis of project priority, which includes an evaluation of need and risk, the Division would require the underlying materials that the Company relied upon to prioritize the work within its current capital investment plan. Regarding the FY 2027 ISR work plan, the Division requested this information of the Company in DIV 1-14, and the Company responded as follows (*with emphasis*):

Division Request: On page 18 of the proposed plan, the Company states that "***To identify and prioritize work, the Company runs annual workshops with teams throughout the Company to evaluate needs and risks associated with projects. Risks include environmental impacts, equipment availability, construction, permitting, reliability impacts, and safety.***"

- a. When did the workshops occur for FY 2027 workplan development?
- b. Who attended or what departments were represented at the workshops? Were both PPL and RIE employees involved?
- c. ***What materials or analytical tools were used to assess needs and risks?***

RIE 1-2, page 2

d. Provide copy of materials used in planning and the resulting risk assessments used to develop the proposed FY 2027 ISR Plan.

RIE Response:

a. The workshops occurred March through June of 2025. The workshops were not strictly meetings. The communications were through a variety of methods that included meetings, phone conferences, and other methods.

b. While not all groups were involved in all communications, the main groups that developed the plan were Distribution Planning, Retail Engineering, Regulatory, Project Management, and Resource Coordination. Consulted on project specifics were Operations, Control Center, Distribution Design, and Procurement. Finance and Executive level approvals were obtained at the end of the process. The majority of personnel were Rhode Island Energy employees. Some substation engineering consultation involved PPL employees. Executive level approvals also involved PPL employees.

c. ***No material or analytical tools were used to assess needs and risks.*** The best risk assessment is through the personnel who work with the equipment on a day-to-day or week-to-week basis, who know the unique project execution characteristics of the projects, and personnel who are familiar with the affordability concerns. The Company is not aware of an analytical tool that can incorporate the unique characteristics of the projects, unique material and resource procurement concerns, and unique environmental and permitting concerns.

d. As described in part c. above, ***there were no additional materials or analytical tools used to develop the proposed FY 2027 ISR Plan.***

Therefore, the Division cannot produce what the Company has not developed, or alternately, will not provide. This has been an ongoing point of contention in the Division's ISR Plan filing reviews. The Division's core subject matter expert ("SME") team has significant electric utility experience in system planning, inspection and condition assessment, substation and power line design, construction and maintenance, and storm response and outage restoration evaluation. Division SMEs are familiar with the Company's system having made field visits and decades of prior evaluations. The SMEs evaluate the Company's initial engineering models and Area Studies presented by the Company. The SMEs are also tasked with validating the Company's justification for the inclusion of a project in an ISR Plan. This requires, in part, evaluating RIE's risk assessments and analysis which the Company fails to provide. These assessments are particularly

RIE 1-2, page 3

critical for asset condition projects. The Division has attempted to get RIE to provide written risk assessments on each asset condition project, however RIE has not provided such assessments. The Company lacks written documentation to demonstrate why a project is prioritized over other projects based on a comprehensive risk analysis, and also why a project must progress within the current ISR Plan. It is the Company's responsibility to perform all the necessary analysis, studies and justifications for the advancement of ISR Plan projects so as to demonstrate the need and cost justification, and to make those materials available in a manner that the stakeholders can validate the Company's plan. Absent this information, particularly during the preliminary ISR Plan review period, the Division is left to rely on less formal discussions with the Company to extract requisite analysis in considering potential adjustments. Furthermore, ad hoc discussions with the Company are not an acceptable substitute for the documentation that the Division has repeatedly requested of the Company, but that RIE is now requesting of the Division.

The Division's definition of "unacceptable risk" is a safety situation where employees or the public face imminent physical injury or fatalities. Otherwise, the risk level should be measured for each adverse system condition that the Company proposes to resolve through a capital investment or maintenance project or program. This requires a comprehensive analysis that produces a qualitative and quantitative risk assessment, measuring the likelihood and consequences of the adverse system condition. Comparative analysis of each project, and the associated risk level, informs project prioritization when developing a capital investment plan. Other than the aforementioned safety risk, there is not a brightline "unacceptable risk" since it is a relative term which is measured on each system component.

RIE 1-3

Request:

For each project identified in the Division's response to RIE 1-1, please identify whether that project was included in the Company's FY 2026 Electric ISR Plan.

Response:

See the Divisions response to RIE 1-1

RIE 1-4

Request:

For each project identified in the Division's response to RIE 1-3 as having been included in the Company's FY 2026 Electric ISR Plan, please explain whether the Division's position has changed from that set forth in Mr. Booth's testimony in that proceeding that "the Division has not been approving what we think might be marginal projects, . . . even if we could push it out a year or so, they're really needed projects." (See In Re: Docket No. 24-54-EL Rhode Island Energy's Electric Infrastructure, Safety and Reliability Plan for Fiscal Year 2026, Transcript of March 13, 2025, Hearing at page 73, lines 6 through 9.)

Response:

See the Division's response to RIE 1-1. The Division's position has not changed from its position in the FY 2026 ISR Plan.

RIE 1-5

Request:

For each project for which the Division identifies that it has changed its position in its response to RIE 1-4, provide a complete and thorough explanation of the reasons for that change in position, including all technical analyses and supporting data (as those terms are described in RIE 1-2).

Response:

See Division's response to RIE 1-1 and RIE 1-4.

RIE 1-6

Request:

For each project identified in the Division's response to RIE 1-1, please provide the amount of the forecasted spending on such project included in the FY 2027 Electric ISR Plan Budget.

- a. Please provide the amount of spending the Division forecasts in the FY 2027 Electric ISR Plan Budget for each such project after making its proposed adjustments for deferral and/or modulation.

Response:

See Division's response to RIE 1-1.

RIE 1-7

Request:

At page 29, lines 12-14 of Mr. Booth's testimony, he states: "The Division withholds concurrence of the Company's proposed \$1.4 million in O&M expenses related to the I&M Program, which is a discretionary program, since agreement was not reached on any discretionary budget." Please explain the complete factual basis, including any analysis performed, that supports the Division's conclusion that the I&M program is not appropriate for inclusion the FY 2027 Electric ISR Plan Budget.

Response:

See Division's response to RIE 1-1.

RIE 1-8

Request:

Please provide any I&M capital budget suggestions or recommendations that the Division contends it provided to the Company during the pre-filing consultative process between the Division and Company for the FY 2027 Electric ISR Plan.

Response:

See Division's response to RIE 1-1. Additionally, the Division outlined its position comprehensively to RIE during discussions including in December when it fully explained its support for a total ISR Plan budget including all spending inside and outside the ISR Plan to be within the ISR Plan at approximately \$136 million.

RIE 1-9

Request:

Please provide the Division's proposed budgets for I&M capital and I&M O&M for the FY 2027 Electric ISR Plan that the Division proposes are reasonably needed to maintain safe and reliable distribution service over the short and long term.

Response:

See Division's response to RIE 1-8.

RIE 1-10

Request:

Please provide the definition of “affordability” that the Division is using to evaluate whether a project is appropriate for inclusion in the Company’s ISR plans.

Response:

The definition of affordability used to evaluate whether projects are appropriate for inclusion in the Company’s ISR Plan can be found in the direct testimony of William F. Watson filed in Rhode Island PUC Docket No. 24-54-EL on February 20, 2025. Specifically, reference Exhibit WFW-2, page 1 of 5 which states:

This annual affordability threshold is a rebuttable presumption that annual capital spending for reliability is unaffordable if:

“...each EDC’s reliability program budget proposed ... exceeds the Company’s historic average annual reliability program budget, using a data set of the annual reliability program budgets from the 10 years preceding the chosen test year and factoring in reasonable escalation factors derived from Gross Domestic Product (“GDP”) Deflator index published by the U.S. Bureau of Economic Analysis.”

This is further expanded based on the evaluation of safe and reliable service which, in the instance of Rhode Island, includes RIE meeting the Commission’s reliability standards and does not promote operation of the system in violation of the National Electrical Safety Code or Occupational Safety and Health Standards which would compromise the safety of employees or the public.