

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

APPLICATION FOR APPROVAL  
OF A CHANGE IN ELECTRIC AND  
GAS BASE DISTRIBUTION RATES

Rhode Island Energy's Responses to  
the Twenty-Eighth Set of Data Requests from  
the Division of Public Utilities & Carriers

Book 1 of 1

April 27, 2026

Submitted to:  
Rhode Island Public Utilities Commission  
Docket No. 25-45-GE

Submitted by:



**Rhode Island Energy™**  
a PPL company

Division 28-1  
**Salaries/Bonuses**

Request:

Please provide a list showing all bonuses, restricted stock options, restricted stock awards, stock options, salary bonuses, or other employee incentives for employees of RI Energy or PPL that are tied directly or indirectly to the financial performance of RI Energy. Please include in this list the terms of the award or bonus, including the amounts and all metrics or triggering events used to determine the bonus or award.

Response:

There were no bonuses, restricted stock awards or other employee incentives directly or indirectly tied to the financial performance of Rhode Island Energy in the 2025 incentive plans. Under the 2025 short-term incentive ("STI") plan, one of the nine corporate strategic initiatives was related to driving financial efficiency related to fleet operations. As referenced in Attachment PUC 1-25-4, Attachment PUC 1-26-4, and Attachment PUC 1-26-5, there were nine critical objectives to support PPL's long-term strategic vision included in the 2025 STI plan collectively weighted at 7.5 percent of employee STI awards. One of those nine critical objectives was tied to the One PPL Fleet Management Strategy Initiatives focused on an enterprise-wide cost reduction goal of \$215,000 in the Fleet Management program through fuel rebates, reductions in vehicle models, and vehicle rightsizing. However, this financial efficiency goal was not directly related to any operations or outcomes specific to Rhode Island Energy.

Division 28-2  
**Facilities**

Request:

Please describe all work-from-home or hybrid work policies in effect at any time during the last 3 years. Please provide copies of all written policies covering that time period.

Response:

The Company notes that this request, as drafted, does not specify the entity or entities whose work-from-home or hybrid work policies are sought. The Company will interpret this request as seeking information regarding policies applicable to employees of the Company only and responds on that basis.

The Company does not have and has not had at any time during the requested period, a formal written work-from-home or hybrid work policy. Rather, beginning in June 2023, the Company established an expectation that employees work in the office on Tuesdays, Wednesdays, and Thursdays of each week. This expectation was communicated to employees through the leaders of their respective departments and was not memorialized in a written policy document.

The Company adopted this approach because in-person collaboration is critical to its ability to deliver results and meet the needs of its employees and stakeholders. The in-office expectation is accompanied by flexibility, and employees are permitted to structure their schedule to accommodate personal obligations. Employees who need to work from home on a designated in-office day for personal or family reasons are directed to coordinate with their manager or supervisor.

The in-office expectation described above does not apply to employees in operations, who are subject to separate requirements based on the nature of their roles.

Division 28-3  
**Facilities**

Request:

Please list how many employees based at either the Dexter Street or Melrose Street locations are currently covered under a work-from-home or hybrid work policy. Please include in this list the number of days a week that the employee is in office vs. working from home.

Response:

As stated in response to Division 28-2, the Company does not have a formal work-from-home or hybrid work policy. The Company will interpret this request as seeking information regarding the number of employees subject to the Company's expectation that employees work in the office on Tuesdays, Wednesdays, and Thursdays. Four hundred thirty-five (435) employees based at the Dexter Street or Melrose Street locations are currently subject to this expectation.

Division 28-4  
**Facilities**

Request:

Please list all employees that will be located at the 1301 Atwood Street location that will be covered by a work-from-home or hybrid work policy. Please include in this list the number of days a week that the employee is in office vs. working from home.

Response:

As stated in response to Division 28-2, the Company does not have a formal work-from-home or hybrid work policy. The Company will interpret this request as seeking information regarding the number of employees subject to the Company's expectation that employees work in the office on Tuesdays, Wednesdays, and Thursdays. Two hundred sixty-four (264) employees that will be located at the 1301 Atwood Avenue location will be subject to this expectation.

Division 28-5  
**Information Technology**

Request:

Regarding planned RIE IT investments, on pages 22-23 of his pre-filed direct testimony, Company Witness Daniel Johnson states the following:

“Across PPL’s operating companies, the total budgeted costs for the planned IT investments are approximately \$1.5 billion over five years. Of that amount, approximately \$346 million is allocated to the Company for its share of the investments. The \$346 million includes investments attributable to the Company’s electric distribution, gas distribution, and electric transmission operations. Of that \$346 million, approximately \$189 million is allocated to electric distribution, and approximately \$131 million is allocated to gas distribution. There is also approximately \$26 million allocated to electric transmission, but those amounts are excluded from the amounts expected to become part of the Company’s rate base once the implementation is complete. Accordingly, the total IT investment proposed for the Company for eventual inclusion in the rate base is approximately \$320 million.

Please identify the incremental revenue requirement impacts for the above referenced IT capital and O&M expenses in total and by cost category (e.g., cost of capital, taxes, amortization, depreciation, and O&M) for each of the following periods:

1. Historic Test Year
2. Interim period
3. Rate Year 1
4. Rate Year 2
5. Data Year 1

Response:

1. There are no incremental revenue requirement impacts for the historic Test Year, as the Company is not seeking the revenue requirement for that period.
2. There are no incremental revenue requirement impacts for the interim period, as the Company is not seeking the revenue requirement for that period.
3. Please see Attachment DIV 28-5 for the revenue requirement impacts of the IT capital and O&M shown by the cost categories. The revenue requirement presented for each period reflects the impact in that year for the IT spend through that period. For example, the Rate Year 1 revenue requirement reflects capital placed in service through Rate Year 1. Please note that the Rate Year 2 and Data Year 1 revenue requirements represent the full value of the revenue requirement in those years for IT investments, not just the

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incremental increase from Rate Year 1 to Rate Year 2, or from Rate Year 2 to Data Year 1.

4. Please see Attachment DIV 28-5.
5. Please see Attachment DIV 28-5.

Line No.	(a)	ELECTRIC			GAS		
		Rate Year 1	Rate Year 2	Data Year 1	Rate Year 1	Rate Year 2	Data Year 1
	(b)	(c)	(d)	(e)	(f)	(g)	
1	O&M - Amortization	2,000,962	3,170,386	3,524,029	1,084,887	1,708,142	1,896,100
2	O&M -Uncollectible	312,881	514,639	741,080	273,070	432,096	559,570
3	Depreciation Expense	7,534,769	13,683,884	18,491,610	6,853,516	11,688,211	15,034,442
4	Income Taxes	716,909	984,920	1,792,794	619,740	841,972	1,159,783
5	Return on Rate Base	3,598,860	4,944,265	8,999,766	3,111,076	4,226,671	5,822,070
6	Total Revenue Requirement	14,164,381	23,298,094	33,549,279	11,942,289	18,897,092	24,471,965

**Notes:**

This represents the O&M IT costs that are amortized over the asset life of the related capital investment.

- Line 1 Treated as O&M in the revenue requirement
- Line 2 Flow through impact to Uncollectible expense
- Line 3 Depreciation expense on capital investments
- Line 4 Flow through impact to income taxes

Return on impacts of Plant In Service, Accumulated Depreciation, Accumulated Deferred Income Taxes, and

- Line 5 Cash Working Capital
- Line 6 Sum of Lines 1 through 5

Division 28-6  
**Information Technology**

Request:

Please identify revenue requirements intended to be recovered through base distribution rates separately from those to be recovered via other mechanisms, such as the Company's ISR plans.

Response:

All of the capital IT investments described in the testimony of Company Witness Daniel Johnson are intended to be recovered through base distribution rates. There are no proposals to recover any of these investments in other mechanisms such as ISR plans.

Division 28-7  
**Information Technology**

Request:

For the portion of the above costs that are capitalized, please also provide the 13-month average rate base amounts for each period. For capitalized amounts to rate base being depreciated / amortized during the above periods, please provide the average depreciation rates being used with any available supporting documentation for each major category of capitalized cost.

Response:

Please see Attachment DIV 28-7 for the 13-month average of the rate base components applicable to the portion of IT costs in Division 28-5 that are capitalized. Please note these are only the amounts of rate base that IT capital plant impacts and does not represent total rate base.

The depreciation rates used in the revenue requirement calculations are the proposed depreciation rates presented by the Company in this base distribution rate case. Please see Schedule SAB-6-ELEC, Page 3, Lines 2 through 4, Column (f) and Schedule SAB-6-GAS, Page 3, Lines 4 through 6, Column (e) for the applicable rates for each IT category.

Line No.	(a)	Electric			Gas		
		Rate Year 1	Rate Year 2	Data Year 1	Rate Year 1	Rate Year 2	Data Year 1
	(b)	(c)	(d)	(e)	(f)	(g)	
1	Plant in service	48,732,616	78,664,353	149,216,163	42,307,359	67,350,133	103,308,065
2	Accumulated Depreciation	(3,794,384)	(14,376,711)	(30,464,458)	(3,426,758)	(12,697,622)	(26,058,947)
3	Accumulated Deferred Income Taxes	(1,200,687)	(4,075,602)	(8,961,413)	(1,010,652)	(3,144,480)	(6,237,422)

Division 28-8  
**Information Technology**

Request:

Please list all proposed functionalities that the Company expects the RIE IT investments to deliver. Please include a detailed timeline for the start date for each proposed functionality. Please provide a description of how the Company expects to track or measure each proposed functionality.

Response:

The Company tracks IT investments at the initiative level, not at the functionality level. If the Company was to list all proposed functionalities, such a list would encompass practically all the functionalities that the IT operations provide to Rhode Island Energy. Please see Attachment DIV 3-29 for the most recent updated five-year timeline for the completion of the major initiatives being delivered to Rhode Island Energy. For details on how the Company expects to track and measure each of the proposed initiative deliverables, please see the Pre-Filed Direct Testimony of Daniel Johnson on pages 35 of 38 through pages 38 of 38. This is a rigorous and proven approach to ensure successful delivery of objectives. The objectives and key results ("OKR") framework has objectives and key results across the full scope of Company operations that will provide business value for Rhode Island Energy customers.

Division 28-9  
**Information Technology**

Request:

Regarding the CIS system, given the Company's current customer service issues and billing problems, can the Company accelerate the deployment of the CIS system? Please include in your answer the earliest possible deployment date and list all obstacles to earlier deployment.

Response:

The Company appreciates this question and evaluated the proposed deployment timeline with the same goal – to deploy as early as possible across all operating companies while balancing the risks. Based on that evaluation, the current proposed deployment date is the earliest possible deployment date.

The Company reached this determination after a thorough evaluation of multiple deployment scenarios that included deploying multiple operating companies at the same time as well as sequencing them individually in various orders. A multiple operating company deployment, in which two or all three companies go-live together, had the potential to accelerate the deployment timeline, but the Company ruled it out due to several factors, including the need for a longer stabilization timeframe and the risk to adequately support hypercare and stabilization across those companies in a coincident timeframe.

The Company arrived at the current sequenced implementation of first Pennsylvania, then Kentucky, and then Rhode Island by weighing the risks facing each location. Although Pennsylvania and Rhode Island both utilize an old Customer/1 application for the current CIS, the risk of a significant CIS-related problem is lower in Rhode Island because Customer/1 was implemented on new infrastructure, whereas Pennsylvania is running on older infrastructure. As discussed in Schedule DJ-4, SAP has announced that mainstream maintenance and support for Kentucky's current version of CIS will end on December 31, 2027. As a result, Pennsylvania was prioritized to deploy first followed by Kentucky and then Rhode Island.