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May 15, 2024

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. 22-54-NG – FY 2024 Gas Infrastructure, Safety, and Reliability Plan Quarterly Update – Fourth Quarter Ending March 31, 2024

Dear Ms. Massaro:

On behalf of Rhode Island Energy, I have enclosed an electronic version of the Company's fiscal year (FY) 2024 Gas Infrastructure, Safety, and Reliability (ISR) Plan quarterly update for the fourth quarter ending March 31, 2024. Pursuant to the provisions of the approved FY 2018 Gas ISR Plan, the Company committed to providing quarterly updates on the progress of its Gas ISR Program to the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson".

Jennifer Brooks Hutchinson

Enclosure

cc: Docket No. 23-49-NG Service List

Gas Infrastructure, Safety, and Reliability Plan

The Narragansett Electric Company

FY2024 Quarterly Update

Fourth Quarter – Ending March 31, 2023

Executive Summary

Fiscal year (“FY”) 2024 Gas Infrastructure, Safety, and Reliability (“Gas ISR Plan” or the “Plan”) fourth quarter results (Attachment A) reflect that the Company¹ has spent approximately \$177.12 million of a fiscal year (“FY”) budget of \$163.42 million, resulting in a FY overspending variance of \$13.70 million. The total spending of \$177.12 million (see Attachments A & B) is comprised of \$175.50 million for the Gas ISR Plan, excluding the Southern Rhode Island Gas Expansion Project (“Gas ISR”) and \$1.63 million for the Southern Rhode Island Gas Expansion Project (“Southern RI Gas Expansion Project”). The \$177.12 million of actual spending represents approximately 108.4 percent of the total FY2024 budget of \$163.42 million, resulting in an approximate 8.4 percent overspending variance for the fiscal year.

The Gas ISR (excluding the Southern RI Gas Expansion Project) spending through the end of the fourth quarter of \$175.50 million includes actual spending of \$61.00 million out of a fiscal year budget of \$42.82 million for Non-Discretionary work, resulting in a fiscal year greater than budget variance of \$18.17 million. In addition, the spending through the fourth quarter includes actual spending of \$114.50 million of a fiscal year budget of \$116.90 million on Discretionary work (excluding the Southern RI Gas Expansion Project), resulting in an underbudget variance of \$2.40 million. The FY2024 Gas ISR overspending variance was driven by spending greater

¹ The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”).

than budget in the following categories: Public Works, Reactive Leaks, Service Replacement (Reactive) – Non-Leaks/Other, Main Replacement (Reactive) – Maintenance & Leak Prone Pipe, Main Replacement (Proactive) – Leak Prone Pipe, Main Rehabilitation (Proactive) – Large Diameter LPCI Program, Take Station Refurbishment, and Take Station Enhancement Program – Tiverton GS Ownership Transfer. Those greater than budget variances were partially offset by under budget variances in the following categories: Corrosion, Purchase Meter (Replacement), Low Pressure System Elimination (Proactive), Transmission Station Integrity, System Automation, Heater Installation Program, Valve Installation/Replacement, Gas System Reliability, I&R Reactive, Distribution Station Over Pressure Protection, LNG, and Tools & Equipment.

The Southern RI Gas Expansion Project spending through the fourth quarter was \$1.63 million out of a fiscal year budget of \$3.70 million, resulting in a fiscal year underspending variance of \$2.07 million. The underspending in the Southern RI Gas Expansion Project - Regulator Station Investment category was due to the timing of work and was the primary driver of the category underspending.

Although the Company was overspent for the FY2024 Gas ISR Plan (including the Southern RI Gas Expansion Project), the Company was under-target for Capital Additions placed In-Service in FY2024. For FY2024, the Company placed Capital Additions In-Service totaling at least \$136.78 million versus a target of \$155.81 million, resulting in an under-target variance of \$19.03 million. See Attachment C for a summary of actual versus target Capital Additions placed In-Service for FY2024 and the last section of this report for additional information regarding the primary drivers of the under-target variance.

Reactionary Main Replacement – Project Tracking

In response to the Rhode Island Public Utilities Commission’s (“PUC”) questions concerning the categorization of certain project spending in this docket, the Company reviewed all FY2024 main replacement jobs being completed for reactionary reasons (i.e., leak prone pipe being replaced ahead of municipal paving, poor pipe condition observed in the field and required replacement of pipe as soon as feasible, or third-party encroachment). Where appropriate, the Company is reporting the spending for those projects under categories that accurately reflect the reason for project advancement even if the initial project scoping and workorder setup originated in another category. The affected categories are: Public Works, Main Replacement (Reactive) – Maintenance (incl Water Intrusion) & Leak Prone Pipe, and Main Replacement (Proactive) – Leak Prone Pipe. The result of these project recategorizations is that \$14.02 million of FY2024 YTD Actual Spend, from 14 projects, is now being reported under Public Works instead of Main Replacement (Proactive) – Leak Prone Pipe. Additionally, \$4.11 million of FY2024 YTD Actual Spend, from 6 projects, is being reported under Main Replacement (Reactive) - Maintenance (incl Water Intrusion) & Leak Prone Pipe, instead of Main Replacement (Proactive) – Leak Prone Pipe. For the most part, these project recategorizations result from the fact that the Company had set up initial workorders for such projects during the scoping phase under the Main Replacement (Proactive) – Leak Prone Pipe category but the projects were not on the FY2024 workplan list as a proactive project. During FY2024, the Company advanced the projects into FY2024 based on external and uncontrollable factors (see examples described above). In the past, the Company would have completed the work and continued to report these types of projects under Main Replacement (Proactive) – Leak Prone Pipe because that is how the initial work order was set up. In order to provide more clarity, the Company is reporting the affected projects under a reactionary category instead of a proactive category where appropriate. The table below provides a summary of the category reclassifications, including the project count, FY2024 spending, and reactionary reasons the projects were advanced into FY2024.

Table A

(\$000)

From	To	Reactionary Reason Project Advanced into FY2024	Project Count	Fiscal Year Spending Through Q4 FY24
Main Replacement (Proactive) - Leak Prone Pipe	CSC/Public Works - Non-Reimbursable	Ahead of 3rd Party	1	\$ 14
		Ahead of Paving	7	\$ 4,313
		Ahead of RIDOT Paving	3	\$ 7,057
		Encroachment	3	\$ 2,634
Public Works Total			14	\$ 14,018
Main Replacement (Proactive) - Leak Prone Pipe	Main Replacement (Reactive) - Maintenance & Leak Prone Pipe	Rush Main	3	\$ 2,411
		Active Leaks	3	\$ 1,697
		Reactive Main Replacement Total		
Total Recategorizations			20	\$ 18,126

FY2024 Capital Spending by Category

Non-Discretionary Work²

Public Works Program – \$12.58 million variance over fiscal year budget

For FY2024, the Company spent \$29.76 million, net reimbursements, against a fiscal year budget of \$17.18 million for the Public Works program, resulting in a spending greater than budget variance of \$12.58 million. For FY2024, the Company installed 14.3 miles against a plan of 10.0 miles of new replacement gas main and abandoned 8.1 miles of a plan of 10.0 miles of leak-prone pipe through the Public Works program.

In addition to the recategorizations mentioned above, the Company has also observed an increase in the volume of Public Works project requests received in FY2024 and has been actively coordinating with municipal and state agencies and other utilities to complete the Company's work (i.e., main replacement) ahead of the actual roadway project (i.e., town paving).

Mandated Programs – \$5.61 million overspending variance to fiscal year budget

For FY2024, the Company spent \$31.23 million of a fiscal year budget of \$25.62 million for Mandated Programs, resulting in an overspending variance of \$5.61 million. The primary driver of the overspend in the Mandated categories was the spending in the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe category, which was greater than forecasted in the original budget; the budget been based on the historical actual costs reported in this category. A summary of the reactionary projects that have been recategorized from Main Replacement

² Non-Discretionary programs include projects that are required by legal, regulatory code, and/or agreement, or are the result of damage or failure, with limited exceptions.

(Proactive) – Leak Prone Pipe into the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe is included in Table A, above. Additionally, the Cumberland Hill Road area project, which resulted in spending of \$2.03 million, is being tracked under the Main Replacement (Reactive) – Maintenance & Leak Prone Pipe category. In FY2024, the Company began installing replacement gas main on the Park Place portion of the project and this project will continue throughout FY2025. Also, spending was greater than budget in the Service Replacement (Reactive) – Non-Leaks/Other category through which the Company has been completing an increased volume of compliance related work on services. Finally, actual spending in the Reactive Leaks category was \$1.84 million greater than the fiscal year budget of \$8.00 million.

The actual overspending variances were partially offset by lower than anticipated costs in the Corrosion, Purchase Meter (Replacement), Low Pressure System Elimination, and Transmission Station Integrity categories. For Corrosion, the FY2024 spending was lower than budget for two main reasons. First, there were permitting challenges with respect to the work on the Division Street bridge in Pawtucket and the project was mostly deferred and incorporated into the FY2025 budget. Second, the Company is actively working to schedule and complete pipe repairs over Amtrak railways, but the Company was not able to complete all the necessary work in FY2024, so the majority of work was deferred into FY2025. The Purchase Meter (Replacement) spending for FY2024 was lower than budget as the Company received fewer meters from vendors than were expected. The Company is continuing to actively work with its vendors to remedy the lower volume of meter inventories and will continue to do so through FY2025. The Low Pressure System Elimination category was underbudget for the fiscal year due to the timing of project work, which saw a portion of the work in Middletown carryover into FY2025. The Transmission Station Integrity category was underbudget by \$1.70 million for the fiscal year due to the timing of the multi-year Scott Road Take Station Replacement project. Some longer lead

time project materials that were originally expected in FY2024 are now anticipated to arrive in Q1 FY2025.

In June 2021, the Company, in collaboration with the Rhode Island Division of Public Utilities and Carriers (“Division”), developed and implemented a plan to continuously improve the Company’s tracking of its meter inventory and its purchasing strategies. This was implemented in compliance with the PUC’s Order concerning the Company’s FY2022 Gas ISR Plan in Docket No. 5099. The first component of the plan is an enhanced process to track meter inventory. The Company is conducting a manual count of the meter lab inventory each month until the Company has validated that the Maximo system, which is used to track meter inventory, is accurately capturing inventory data. The Company conducted a physical inventory count on June 10, 2021 to establish the baseline count. The chart below provides a summary of the meter lab inventory counts on June 10, 2021, and the closest date to the close of each quarter that followed, which were June 30, 2021, September 30, 2021, January 3, 2022, March 31, 2022, June 30, 2022, September 30, 2022, January 3, 2023, March 31, 2023, June 30, 2023, September 30, 2023, December 31, 2023, and March 31, 2024. The Company is continuing to review the variances between the physical counts and the meter inventory tracked in Maximo and working to address factors that contribute to the variance, including the timing of when inventory is counted, when reports are run, and the timing of data cleanup in the Maximo system. Although the variance total has decreased over time, the calculated variance percentage (%) has grown because the meter inventory levels have decreased substantially over the past year and half.

Meter Lab Inventory				
Measure	Physical Count	Maximo	Variance	Variance %
Inventory as of 6/10/2021	9,943	10,926	983	9%
Inventory as of 6/30/2021	9,156	9,988	832	8%
Inventory as of 9/30/2021	9,568	10,370	802	8%
Inventory as of 1/3/2022*	9,994	10,986	992	9%
Inventory as of 3/31/2022	11,724	12,605	881	7%
Inventory as of 6/30/2022	7,354	8,164	810	10%
Inventory as of 9/30/2022	6,513	7,452	939	13%
Inventory as of 1/3/2023	5,043	5,963	920	15%
Inventory as of 3/31/2023	8,647	9,716	1,069	11%
Inventory as of 6/30/2023	6,293	7,244	951	13%
Inventory as of 9/30/2023	3,618	4,405	787	18%
Inventory as of 12/31/2023	2,899	3,632	733	20%
Inventory as of 3/31/2024	4,354	5,045	691	14%

*Due to Vacations, the Meter Lab gathered inventory data the first Monday after New Years.

Damage/Failure Reactive Program – \$0.025 million variance to budget

For FY2024, the Company spent \$0 of fiscal year budget of \$0.025 million for the Damage/Failure Reactive Program, resulting in an under-budget variance of \$0.025 million. The Company did not experience any reactive projects that qualified for this program category in FY2024.

Discretionary Work³

Proactive Main Replacement & Rehabilitation Programs – \$6.13 million over-budget variance

For FY2024, the Company spent approximately \$84.40 million of a fiscal year budget of \$78.27 million for the Proactive Main Replacement & Rehabilitation programs, resulting in an

³ Discretionary programs are not required by legal, regulatory code, or agreement, or a result of damage or failure, with limited exceptions.

overspending variance of approximately \$6.13 million. For FY2024 in the Proactive Main Replacement (“MRP”) Program, the Company installed 24.9 miles of new replacement gas main against a plan of 47.4 miles. Across all ISR programs, the Company installed a total of 45.6 miles of new replacement gas main against a plan of 60.0 miles. For FY2024, the Company abandoned 23.7 miles in the MRP Program against a plan of 47.8 miles. Across all programs, the Company abandoned 34.7 miles of leak prone pipe against an overall plan of 60.0 miles. Due in large part to the concentration on projects with higher priority scores, many of which are larger diameter pipe which have a slower rate of production compared to smaller diameters, the Company did not install as many miles of replacement main as it had originally planned, nor did it reach abandonment on as many miles as it had originally planned. However, the Company’s project selection strategy for FY2024 focused resources on Proactive Main Replacement projects with some of the highest priority scores on the gas distribution system.

During FY2024, the Company and its contractor were able to complete five (5) CISBOT projects. During the first quarter, Thames St (Section 1 and 2) in Newport, which were started in late FY2023 to get ahead of the busy tourism season in that area, were completed, followed by Early Street in Providence. 1-94 Legion Way in Cranston, which was started in the latter part of the first quarter, was completed in the second quarter. Based on Contractor availability, project readiness, and moderate Company resource requirements for this type of work, at the end of the first quarter the Company pursued the addition of two CISBOT jobs for FY2024. These two projects were Russell Street and Canal Street, both located in the City of Providence. Russell Street had been scoped as a lining project in prior fiscal years, but after conducting field investigations, it was determined lining was not a feasible option. The segment of pipe associated with the project runs under/through Rhode Island Public Transit Authority (“RIPTA”) property and is near railroad tracks, so it is preferable to rehabilitate versus replace/abandon as it is a challenging area for crews to access. Seventeen joints have been fixed over the past 10 years on this segment to address leak activity. The Company and its contractor completed work on

Russell Street during the third quarter of the fiscal year. Due to the moratorium on winter work in Providence, the Company was not able to execute the planned project on Canal Street. In total, the five projects rehabilitated approximately 1.36 miles of large diameter cast iron main by internally sealing approximately 600 joints with the use of CISBOT. The Company also continued preliminary design efforts on the Petteys Avenue, Providence Cast Iron Lining (“CI Lining”) project that will continue into FY2025 and FY2026. Overall, the Main Rehabilitation (Proactive) – Large Diameter LPCI Program was overbudget by \$2.21 million for FY2024.

For the Atwells Avenue Project in FY2024, the Company incurred charges of approximately \$1.14 million, primarily related to the main installation for Segment 3, along with closeout of invoices for line stripping as part of the final restoration of Segments 1 and 2. Segment 3 of the project was initially budgeted to be completed in FY2024, but a portion of the project will carry over into FY2025, and was incorporated into the FY2025 budget, because Segment 3 work began later in FY2024, and that segment of main requires a higher volume of service work. In the Spring of 2024, the Company will complete the main installation, gas in the new main, and begin service work. Final restoration is forecasted to be completed in FY2025. In FY2024, the Company continued to work in close conjunction with Providence Water (replacing water pipe) and the City of Providence (to coordinate the Company’s replacement of leak prone pipe with municipal paving) to continue addressing the highest priority work. Although Segment 3 of Atwells Avenue has been grouped with Segments 1 & 2 (which ran along the restaurant district) for the overall project scope, the cost and project prioritization of Segment 3 fall more in line with a standard proactive main replacement project, which is one reason why other segments in Providence were being completed ahead of Atwells Avenue Segment 3.

Proactive Service Replacement Program – \$0.06 million underspending variance to budget

For FY2024, the Company spent \$0.50 million of a fiscal year budget of \$0.56 million for the Proactive Service Replacement Program, resulting in an underspending variance of \$0.06 million. For the fiscal year, the Company replaced 34 services under the Proactive Service

Replacement Program. This included the replacement of the final four copper services in Cumberland. The Company has completed the final restoration related to copper services that were replaced on various streets in Cumberland. The Company is continuing to reach out to customers to schedule and perform proactive service replacements across the Rhode Island gas system as those services are confirmed to be leak prone services on non-leak prone main.

Reliability Programs – \$8.47 million underspending variance to budget

For FY2024, the Company spent \$29.60 million of a fiscal year budget of \$38.07 million for Reliability programs, resulting in an underspending variance of \$8.47 million for this category. The timing of work and purchasing are the primary drivers of the fiscal year variance, with the LNG categories accounting for \$5.85 million of the underspending variance. Along with the LNG categories, the underspending variance was driven by Distribution Station Over Pressure Protection, Heater Installation, and Valve Installation/Replacement. Those underspending variances were somewhat offset by overspending variances on the Take Station Refurbishment category, the Tiverton Gate Station Ownership Transfer (Heater) project, and the Replace Pipe on Bridges category.

The LNG category was underbudget for the fiscal year primarily based on the timing of receiving finalized bids and awarding a contract for the final phases of the Exeter Boiloff Compressors upgrade and the delay in receiving materials to construct a new prefabricated building to house the new compressors. The prefabricated building has now become a long lead material/item. The project was underbudget for FY2024 by \$3.01 million at fiscal year-end as some project activities were shifted into FY2025, along with the project in-service date, due to availability of materials and winter operation restrictions for the LNG plant. Additionally, other longer-term projects for the Exeter LNG plant, namely the Control Room and Truck Station Upgrades, were underbudget for the fiscal year due to the timing of completing pre-construction activities. The Company spent \$0.27 million on the LNG – Exeter Control Room project versus

a FY2024 approved budget of \$1.11 million (project is not forecasted to be in-service until FY2026). The Company also spent \$0.05 million on the Newport Navy Yard Decommissioning project versus a FY2024 approved budget of \$0.28 million; all of the charges were classified as Cost of Removal (“COR”).

The Valve Installation/Replacement category was underbudget by \$0.60 million for the fiscal year, primarily because one sectionalizing valve on 16-inch diameter pipe in Newport was cancelled due to challenges in the field associated with installing the valve at the original site. Attempts to redesign the valve installation did not produce feasible alternatives. The result of eliminating the large diameter valve is that two smaller sectionalized zones will remain as one larger zone, but it does not negatively impact the Company’s ability to shed load in Newport if it were ever deemed necessary. The Distribution Station Over Pressure Protection category was underbudget by \$1.61 million for the fiscal year as the primary planned activities in this program were to install control line headers at various stations as main replacement – leak prone pipe projects were being completed. However, the deferred timing of several main replacement jobs deferred several control line header replacement projects and resulted in spending that was lower than budget.

Gas System Reliability was underbudget by \$0.31 million at fiscal year-end versus the \$3.06 million overbudget forecast that was anticipated as of the end of the second quarter. The actual spending was lower than budget because the Company was unable to advance the Greenwich Avenue project in East Providence for a variety of factors, but an overriding factor was that arriving at a final determination of the overall project scope is taking longer than anticipated. As mentioned in the first quarter FY2024 report regarding this overall category, the timing of some projects was shifted forward to support upcoming proactive main replacement projects (incorporating low pressure to high pressure upgrades) and other gas system reliability enhancements.

Five projects were included in the original FY2024 plan but were deferred or are being redesigned:

- 1) the construction phase of the Beverly Street project in Lincoln was deferred until FY2025, to allow the planned Reinforcement project on River Road to be completed first;
- 2) Borah Street in North Providence was planned for development, but is being redesigned to incorporate more low pressure to high pressure upgrades;
- 3) the Diamond Hill Road-Dewey Street project in Woonsocket is being redesigned to expand the scope of the project, incorporate more low pressure to high pressure upgrades, and coordinate with paving schedules;
- 4) the Newport 10-to-35 psi system integration project was deferred and will be reevaluated as a potential Proactive Main Replacement – Leak Prone Pipe project because it would likely have a higher volume of leak prone pipe; and
- 5) the Cannon Street project in Cranston was deferred to coordinate with schedules of external parties in the area.

The following three projects proceeded as planned in FY2024:

- 1) Sunbury Street, Providence;
- 2) Old River Road, Lincoln (Manville); and
- 3) East Avenue/Bald Hill Road, West Warwick.

In the first quarter of FY2024, three projects were “walked-in” to the portfolio for FY2024 to directly support upcoming proactive main replacement projects and other gas system reliability enhancements that were identified during the FY2025 planning process. As explained below, the Company was unable to advance one project (Greenwich Avenue); it has begun the initial

construction stage of the second project (Mason Street); and it is nearing completion of the third project (Bypass Installation).

Below is a description and status update on each project:

- 1) **Greenwich Avenue, East Providence** – This project will support multiple projects within the Proactive Main Replacement – Leak Prone Pipe category that will also convert existing low-pressure customers to high pressure. This improves overall system reliability by replacing aged infrastructure with new materials and installation procedures governed by modern construction codes and standards. Additionally, new high-pressure services include multiple layers of over-pressure protection using excess flow valves (“EFV”) and pressure regulators upstream of the meter to improve customer safety if an unplanned event were to affect the pipeline network. This project will also provide a future back feed on the 99 pounds (“#”) per square inch system between the Wampanoag Trail and Dey Street stations. The Company is in active discussions with the City of East Providence to determine an updated construction timeline for this project and other projects throughout the city.
- 2) **Mason Street, Woonsocket** – This project will extend a high-pressure feeder main into a low-pressure area to enable Proactive Main Replacement – Leak Prone Pipe projects. In FY2024, the project completed test hole work and installed approximately 476 feet of main and will continue main installation and conversion of customers to high pressure in FY2025. This Gas System Reliability project and the associated Proactive Main Replacement projects are being expedited to allow abandonment of a problematic regulator station on the existing low-pressure system thereby avoiding replacement.
- 3) **Bypass Installation** – Allens Avenue Regulator Station, Providence – This project will allow for proper back feeding procedures when the Wampanoag Trail Gate Station needs to be offline for maintenance or emergency operations. During a shutdown, the

Providence 200# system requires 99# gas to back feed east across the Providence River to maintain pressure at regulator stations in East Providence normally fed by 200# gas from the Wampanoag Trail Gate Station. The current infrastructure at the Allen's Avenue Regulator Station requires back feeding through the regulators from the Allen's Avenue 99# station and is not viewed as a long-term strategy. In FY2024, the project has progressed well with the bypass piping installation and was awaiting favorable weather temperatures (multi-day window) that would allow the Company and its contractor to complete the necessary live gas connections. One of the connections requires the contractor TD Williamson to be onsite to complete the connections and requires advanced scheduling. The Company was unable to complete the connections work in FY2024 and it will now be completed in the first quarter of FY2025, after which live gas will flow through the newly installed piping.

In the first quarter FY2024 report, the Company indicated that a fourth project, the 99# System Integration (Phase 1) project, was being advanced into FY2024. However, that project has now been deferred to a future date that is yet to be determined. This project was being advanced, in part, because a low-pressure Main Replacement (Proactive) – Leak Prone Pipe project was going to require replacement of main on one of the same streets where this project needs to run its high-pressure main, and it would be most efficient to pave the affected street once. However, that low-pressure main project has been deferred and is being assessed for incorporation into a low-pressure to high-pressure upgrade, in conjunction with the 99# System Integration (Phase 1), in the next few years, along with Phases 2 & 3. Therefore, the 99# System Integration (Phase 1) project has been removed from the FY2024 forecast.

Finally, the Tiverton Gate Station Ownership Transfer (Heater) project was overbudget by \$0.55 million for the fiscal year due to the timing of work on the project, which was originally scheduled to reach completion in FY2023. Additional site work and closeout costs were

required for the project. The Company and Enbridge completed the asset transfer of the Tiverton Gate Station (Heater) in FY2024, and the assets were placed in-service.

FY2024 Southern Rhode Island Gas Expansion Project Spending by Category

Pipeline & Other Upgrades/Investments Categories

For FY2024, there was no budget allocated for the Pipeline and Other Upgrades/Investments categories and there was no spending in either category in FY2024.

Regulator Station Investment

Updates to Cranston Regulator Station Upgrades, Cranston Take Station Upgrades, Cowesett Regulator Station Upgrades, and New Regulator Station Near Cowesett – \$2.07 million underspending variance to budget

For FY2024, the Company spent \$1.63 million of a fiscal year budget of \$3.70 million for the Regulator Station Investment category, resulting in an underspending variance of \$2.07 million for this category. The FY2024 focus of this category has been the Cranston Regulator Station Upgrades and Cowesett Regulator Station Upgrades. The Regulator Station Investment category was underbudget at fiscal year-end as 1) bids for the Cranston Regulator Station Upgrades came in lower than anticipated, and 2) the materials purchasing for the New Regulator Station near the Cowesett Regulator Station project was deferred into FY2025 as the Company is continuing the process of identifying a suitable location(s) and then survey and design work will follow.

Plant In-Service Results

For FY2024, the Company placed Capital Additions In-Service totaling at least \$136.78 million versus a target of \$155.81 million, resulting in an under-target variance of \$19.03 million. See Attachment C for a summary of actual versus target Capital Additions placed In-Service for FY2024. Please note, the FY2024 in-service total of \$136.78 may increase by approximately

\$1.00 to \$1.70 million during the FY2024 Gas ISR Reconciliation. The Company is currently reviewing and updating the actual/reported capital additions placed in-service and cost of removal (“COR”) for the Replace Pipe on Bridges – Lonsdale Avenue project, specifically the FY2024 charges. The project has a lifetime spend of approximately \$2.13 million and the Company is currently reporting Capital Additions placed In-Service of \$0.24 million and COR of \$1.89 million. Although this project did require the old pipe to be removed before the new replacement gas main could be installed, the current allocation to COR is too high. The Company has identified and corrected the error that was made during the invoice entry process but is now awaiting a periodic (monthly) system processing which will provide the updated capital/COR split for this project.

There are three main drivers for the under-target in-service variance currently reported as \$19.03 million. First, the LNG categories were lower than target by approximately \$14.15 million, which was primarily driven by the delayed timing of the Exeter Boiloff Compressors upgrade project (now expected to be placed in-service in FY2025). Second, the net in-service total of the leak prone pipe categories (Public Works, Main Replacement (Proactive) – Maintenance & Leak Prone Pipe, Low Pressure System Elimination, Proactive Main Replacement & Rehabilitation, Proactive Service Replacement, and Replace Pipe on Bridges) was under-target by \$3.69 million. Projects in these categories were impacted by the increased complexity/time associated with the portfolio having a larger mix of higher diameter main replacement jobs and less total miles reaching abandonment in the proactive main replacement category. Third, the Purchase Meters (Replacement) category was under-target by \$2.44 million as the Company received fewer meters from vendors than were expected.

Attachment A
RIPUC Docket No. 22-54-NG
FY2024 Gas Infrastructure, Safety, and Reliability Plan
FY2024 Quarterly Update
Fourth Quarter Ending March 31, 2024

Attachment A - Summary

**The Narragansett Electric Company d/b/a Rhode Island Energy - RI Gas
Capital Spending by Investment Categories - Summary
Detail Through Q4 FY2024 (March 31, 2024)**

Categories	(\$000)		
	FY2024 - Total		
	Budget	Actual	Variance
NON-DISCRETIONARY			
Public Works ¹	\$17,177	\$29,762	\$12,584
Mandated Programs	\$25,621	\$31,234	\$5,613
Damage / Failure (Reactive)	\$25	\$0	(\$25)
NON-DISCRETIONARY TOTAL	\$42,824	\$60,996	\$18,172
DISCRETIONARY			
Proactive Main Replacement & Rehabilitation	\$78,266	\$84,400	\$6,134
Proactive Service Replacement	\$559	\$495	(\$64)
Reliability	\$38,074	\$29,604	(\$8,470)
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$116,899	\$114,499	(\$2,399)
Southern RI Gas Expansion Project	\$3,700	\$1,627	(\$2,073)
DISCRETIONARY TOTAL (With Gas Expansion)	\$120,599	\$116,126	(\$4,472)
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)	\$159,722	\$175,495	\$15,773
CAPITAL ISR TOTAL (With Gas Expansion)	\$163,422	\$177,122	\$13,700
Additional Capital Investments (Not currently included in the ISR)	\$778	\$1,307	\$529

() in Variance column denotes an underspend

1. Public Works Program includes reimbursements.

Attachment B
RIPUC Docket No. 22-54-NG
FY2024 Gas Infrastructure, Safety, and Reliability Plan
FY2024 Quarterly Update
Fourth Quarter Ending March 31, 2024

Attachment B

The Narragansett Electric Company d/b/a Rhode Island Energy - RI Gas
Capital Spending by Investment Categories - Detail Through Q4 FY2024 (March 31, 2024)

Categories	Budget	Actual	Variance
NON-DISCRETIONARY			
Public Works			
<i>CSC/Public Works - Non-Reimbursable</i>	\$16,875	\$30,272	\$13,397
<i>CSC/Public Works - Reimbursable</i>	\$1,372	\$866	(\$506)
<i>CSC/Public Works - Reimbursements</i>	(\$1,070)	(\$1,377)	(\$307)
Public Works Total	\$17,177	\$29,762	\$12,584
Mandated Programs			
<i>Corrosion</i>	\$1,534	\$282	(\$1,252)
<i>Purchase Meter (Replacement)</i>	\$7,095	\$4,140	(\$2,955)
<i>Reactive Leaks (CI Joint Encapsulation/Service Replacement)</i>	\$8,000	\$9,841	\$1,841
<i>Service Replacement (Reactive) - Non-Leaks/Other</i>	\$1,748	\$4,569	\$2,821
<i>Main Replacement (Reactive) - Maintenance & Leak Prone Pipe</i>	\$1,167	\$8,609	\$7,442
<i>Low Pressure System Elimination (Proactive)</i>	\$1,300	\$596	(\$704)
<i>Transmission Station Integrity</i>	\$4,201	\$2,502	(\$1,699)
<i>Pipeline Integrity - IVP - Wampanoag Trail Pipeline Replacement</i>	\$575	\$695	\$120
Mandated Total	\$25,621	\$31,234	\$5,613
Damage / Failure (Reactive)			
<i>Damage / Failure (Reactive)</i>	\$25	\$0	(\$25)
NON-DISCRETIONARY TOTAL	\$42,824	\$60,996	\$18,172
DISCRETIONARY			
Proactive Main Replacement & Rehabilitation			
<i>Main Replacement (Proactive) - Leak Prone Pipe</i>	\$73,172	\$77,062	\$3,890
<i>Main Rehabilitation (Proactive) - Large Diameter LPCI Program</i>	\$3,994	\$6,202	\$2,208
<i>Atwells Avenue</i>	\$1,100	\$1,136	\$36
Proactive Main Replacement & Rehabilitation Total	\$78,266	\$84,400	\$6,134
Proactive Service Replacement			
Proactive Service Replacement Total	\$559	\$495	(\$64)
Reliability			
<i>System Automation</i>	\$792	\$491	(\$302)
<i>Heater Installation Program</i>	\$5,006	\$2,939	(\$2,067)
<i>Heater Installation Program - Wampanoag Trail Heaters Replacement and Ownership Transfer</i>	\$0	\$1	\$1
<i>Pressure Regulating Facilities</i>	\$5,200	\$5,145	(\$55)
<i>Allens Ave Multi Station Rebuild</i>	\$0	(\$0)	(\$0)
<i>Take Station Refurbishment</i>	\$1,164	\$2,607	\$1,443
<i>Take Station Enhancement Program - Tiverton GS Ownership Transfer</i>	\$190	\$740	\$550
<i>Valve Installation/Replacement (incl Storm Hardening & Middletown/Newport)</i>	\$606	\$7	(\$599)
<i>Gas System Reliability</i>	\$2,530	\$2,224	(\$306)
<i>I&R - Reactive</i>	\$1,402	\$1,193	(\$209)
<i>Distribution Station Over Pressure Protection</i>	\$2,420	\$810	(\$1,610)
<i>LNG</i>	\$16,313	\$10,221	(\$6,092)
<i>LNG - Cumberland Portable Equipment Purchase</i>	\$6	\$252	\$246
<i>Replace Pipe on Bridges</i>	\$1,350	\$2,176	\$826
<i>Access Protection Remediation</i>	\$60	\$68	\$8
<i>Tools & Equipment</i>	\$1,034	\$731	(\$303)
Reliability Total	\$38,074	\$29,604	(\$8,470)
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$116,899	\$114,499	(\$2,399)
Southern RI Gas Expansion Project			
<i>Regulator Station Investment</i>	\$3,700	\$1,627	(\$2,073)
Southern RI Gas Expansion Project Total	\$3,700	\$1,627	(\$2,073)
DISCRETIONARY TOTAL (With Gas Expansion)	\$120,599	\$116,126	(\$4,472)
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)	\$159,722	\$175,495	\$15,773
CAPITAL ISR TOTAL (With Gas Expansion)	\$163,422	\$177,122	\$13,700
Additional Capital Investments (Not currently included in the ISR)			
<i>Aquidneck Island Long Term Capacity Options</i>	\$500	\$1,197	\$697
<i>LNG - Cumberland Tank Replacement</i>	\$278	\$110	(\$168)

Attachment C
RIPUC Docket No. 22-54-NG
FY2024 Gas Infrastructure, Safety, and Reliability Plan
FY2024 Quarterly Update
Fourth Quarter Ending March 31, 2024

Attachment C - Plant In-Service Summary

**The Narragansett Electric Company d/b/a Rhode Island Energy - RI Gas
Capital Additions Placed In-Service by Investment Categories - Summary
FY2024 Actuals vs ISR Approved Target**

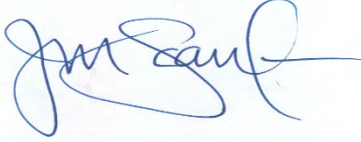
Categories	(\$000)	FY2024 - Total	
Categories	Target	Actual	Variance
NON-DISCRETIONARY			
Public Works ¹	\$15,163	\$20,451	\$5,288
Mandated Programs	\$19,279	\$18,817	(\$462)
Damage / Failure (Reactive)	\$24	\$0	(\$24)
NON-DISCRETIONARY TOTAL	\$34,466	\$39,267	\$4,801
DISCRETIONARY			
Proactive Main Replacement & Rehabilitation	\$72,780	\$62,945	(\$9,835)
Proactive Service Replacement	\$437	\$148	(\$289)
Reliability	\$48,060	\$31,521	(\$16,539)
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$121,277	\$94,614	(\$26,663)
Southern RI Gas Expansion Project	\$71	\$2,903	\$2,832
DISCRETIONARY TOTAL (With Gas Expansion)	\$121,348	\$97,516	(\$23,832)
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)	\$155,743	\$133,881	(\$21,862)
CAPITAL ISR TOTAL (With Gas Expansion)	\$155,814	\$136,784	(\$19,030)
Additional Capital Investments (Not currently included in the ISR)	\$0	\$0	\$0

() in Variance column denotes an underspend
1. Public Works Program includes reimbursements.

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

May 15, 2024
Date

**No. 22-54-NG- RI Energy's Gas Infrastructure, Safety and Reliability (ISR)
Plan 2024 - Service List 4/6/2023**

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