

Rhode Island runs one of the oldest gas systems in the country — and a law that phases it down.

A single utility carries nearly the entire state's gas load on aging main, while the Act on Climate makes deep decarbonization enforceable and the 2019 Aquidneck outage still shapes reliability policy. Every one of those forces moves projects on and off the list. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

278,716¹ Natural gas consumers in Rhode Island (2024) — almost all served by one utility.	\$388M² Gas infrastructure investment Rhode Island Energy sought over two years in its ISR plan.	7,455³ Aquidneck Island customers who lost gas for seven days in the January 2019 outage.	Net-zero by 2050⁴ Rhode Island's enforceable Act on Climate mandate — 45% below 1990 by 2030, 80% by 2040.
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THE RHODE ISLAND LANDSCAPE

Four forces are moving your project list at once

Rhode Island is essentially a one-LDC gas state with old pipe, a binding climate law, a single-pipeline reliability scar, and a rate case that just reset the rules. Together they mean the capital plan you approved last year may already be the wrong plan.

SYSTEM INTEGRITY & AGING PIPE

Old main, one operator, a long replacement clock

Rhode Island Energy operates one of the oldest gas distribution systems in the country and serves almost every one of the state's 278,716 gas consumers²¹ PPL bought the system — The Narragansett Electric Company — from National Grid for \$3.8 billion in May 2022 and inherited its leak-prone-pipe backlog.⁵

Replacement runs through the annual Infrastructure, Safety and Reliability (ISR) plan, where the company recently sought roughly \$388 million of gas investment over just two years² The backlog does not shrink on its own — the question is which segments move first.

DECARBONIZATION PRESSURE

A binding climate law is reshaping the gas footprint

The 2021 Act on Climate makes emissions cuts enforceable: 45% below 1990 by 2030, 80% by 2040, and net-zero by 2050⁴ On Aquidneck Island the Energy Facility Siting Board is weighing a moratorium on new gas hookups — environmental groups call it Act-on-Climate alignment, while the Greater Newport Chamber warns a ban could cost \$232 million in lost developments⁶

In the 2026 rate case the PUC ordered Line Extension Allowances phased out entirely over three years, ending the subsidy for new fossil-fuel connections⁷ Declining throughput and stranded-asset risk now sit inside every long-horizon plan.

SUPPLY, PRICE & RELIABILITY

At the end of the pipeline, with a scar to prove it

In January 2019, 7,455 Aquidneck Island customers lost gas for seven days after an upstream supply interruption — a faulty valve, overconsumption, and human error on a district fed by a single pipeline.³⁸ New England sits at the end of the interstate system, where pipeline capacity has not kept pace and generators lean on LNG when winter gas is scarce⁹

Cost follows constraint: Rhode Island's residential gas price reached about \$21.66 per thousand cubic feet in 2024¹⁰ Design-day and peaking decisions compete directly with replacement capital.

CAPITAL RECOVERY & REGULATORY

The rules for recovering capital just tightened

Rhode Island Energy asked the PUC for more than \$200 million in first-year distribution increases across gas and electric, at a 10.75% return on equity — up from its 9.275% rate¹¹

The August 2026 decision held ROE at 9.275%, cut the equity ratio, and secured about \$170 million in ratepayer benefits⁷ With affordability now a stated priority, every gas dollar has to earn its place in the plan — and be documented.

WHO RUNS RHODE ISLAND'S GAS SYSTEM

One investor-owned LDC, upstream pipelines, and no municipal gas

Rhode Island is a single-LDC state: Rhode Island Energy serves essentially all gas customers, fed by interstate pipelines and backed by limited LNG. There are no city- or town-owned gas utilities and no gas cooperatives.

The gas distribution utility

Investor-owned, regulated by the RI PUC

Rhode Island Energy Sole gas LDC · 278,716 gas consumers statewide (2024)¹

The Narragansett Electric Company Legal entity d/b/a Rhode Island Energy; bought by PPL for \$3.8B in 2022⁵

PPL Corporation Investor-owned parent since the National Grid acquisitions⁵

About half of all Rhode Islanders heat their homes with natural gas²

Supply, pipelines & peaking

No municipal or cooperative gas utilities exist in Rhode Island

Algonquin Gas Transmission (Enbridge) Interstate pipeline; upstream operations were tied to the 2019 Aquidneck outages⁸

New England interstate pipeline network Capacity-constrained; the region sits at the end of the systems⁹

Old Mill Lane LNG (Portsmouth) EFSB re-approved a temporary LNG backup for Aquidneck Island in 2024⁶

With one LDC and thin upstream capacity, resilience investment falls almost entirely on Rhode Island Energy's capital plan.

Every gas dollar has to be defensible

Capital recovery runs through the Rhode Island Public Utilities

Commission — and, increasingly, through the lens of the Act on Climate and affordability.

Gas Infrastructure, Safety and Reliability (ISR) plan. Rhode Island's annual mechanism for recovering gas replacement capital; Rhode Island Energy recently sought roughly \$388 million over two years²

2026 distribution rate case. The company requested more than \$200 million in first-year increases at a 10.75% ROE; the PUC's August 2026 decision held ROE at 9.275% and secured about \$170 million in ratepayer benefits.¹¹⁷

Line Extension Allowance phase-out. The PUC ordered the new-connection subsidy eliminated over three years — a 33% cut beginning April 2027 — tying gas growth to Act-on-Climate compliance.⁷

Energy Facility Siting Board (EFSB). Approves major gas facilities such as the Old Mill Lane LNG backup and is weighing the Aquidneck Island hookup moratorium.⁶

Little federal gas money — recovery is surcharge-based

Rhode Island is not a major recipient of federal gas grants, so modernization capital is recovered through rates and surcharges. That makes portfolio timing, not grant hunting, the lever.

ISR surcharge — ~\$388M over two years. The primary vehicle for recovering leak-prone-pipe replacement on the state's aging system.²

\$170M in ratepayer benefits (2026). The rate-case outcome credits customers and constrains the return the company earns on new capital.⁷

Line Extension Allowance elimination. Ending the new-connection subsidy shifts the economics of every proposed main extension — a real dollar swing on future growth capital.⁷

Aquidneck resiliency solutions. The options studied to firm up the island's supply ranged from about \$31 million to \$190 million — a single reliability project that can dominate a capital cycle.⁸

RHODE ISLAND'S GAS SYSTEM, IN BRIEF

Questions Rhode Island gas leaders are asking

Short, sourced answers — the same facts we dig into with utilities looking at their capital programs.

Who provides natural gas in Rhode Island?

Almost all of it comes from Rhode Island Energy, the state's sole gas LDC, which serves 278,716 gas consumers. PPL bought the system (The Narragansett Electric Company) from National Grid for \$3.8 billion in May 2022¹⁵

What caused the 2019 Aquidneck Island gas outage?

An upstream supply interruption — a faulty valve, overconsumption, and human error on a district fed by a single pipeline — cut gas to 7,455 customers for seven days in January 2019³⁸

How does the Act on Climate affect Rhode Island's gas system?

The Act on Climate is enforceable: 45% below 1990 by 2030, 80% by 2040, and net-zero by 2050. It is already driving the Aquidneck hookup-moratorium debate and the PUC's phase-out of new-connection subsidies⁴⁶⁷

How much is Rhode Island Energy investing in gas infrastructure?

Its recent ISR plan sought roughly \$388 million of gas investment over two years, mostly to replace leak-prone pipe. The 2026 rate case then constrained the return on that capital²⁷

Why is winter gas supply a concern in Rhode Island?

New England sits at the end of the interstate pipeline system, so capacity is tight and generators rely on LNG in cold snaps. Rhode Island generated 9,777,026 megawatthours of electricity in 2024, with natural gas as its primary fuel — heating and power compete for the same molecules³¹²

How does Invizion help Rhode Island gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a tighter ROE, a line-extension phase-out, an ISR budget, or an Aquidneck-style reliability project reshuffles your whole program, re-sequence the portfolio automatically, and keep a defensible record of every trade-off for the PUC.

REFERENCES

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Every figure in this briefing is tied to a primary or authoritative source.

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ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See how utilities keep capital plans current and defensible with Invizion.

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