

BEFORE THE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: REVIEW OF AMENDED POWER :
PURCHASE AGREEMENT BETWEEN :
NARRAGANSETT ELECTRIC COMPANY : Docket No. 4185
d/b/a NATIONAL GRID AND :
DEEPWATER WIND BLOCK ISLAND, LLC :
PURSUANT TO R.I.G.L. § 39-26.1-7 :

Direct Testimony of

Thomas A. D'Amato

On Behalf of

Polytop Corporation

July 2010

1 **Q. Could you please state your name for the record?**

2 A. Thomas A. D'Amato.

3

4 **Q. Mr. D'Amato, where do you work?**

5 A. I work at Polytop Corporation.

6

7 **Q. What is your position there?**

8 A. I am the Manager of Manufacturing Systems.

9

10 **Q. What are your duties and responsibilities?**

11 A. My duties and responsibilities are set forth in the attached résumé. They include
12 responsibility for reviewing energy invoices, negotiating new energy contracts, and
13 demand side energy maintenance programs.

14

15 **Q. Can you tell me about your education?**

16 A. I was a Mathematics Major at the Community College of Rhode Island.

17

18 **Q. What about your training and experience?**

19 A. My training and experience is set forth in my resume, and includes military training in
20 electronics.

1 **Q. What does Polytop do?**

2 A. Polytop is a manufacturer of plastic dispensing closures, also known as bottle caps. We
3 are an injection molder for food closures, health and beauty aide closures, household
4 chemical closures, etc. We have been in business in Rhode Island since about 1959. We
5 have in recent years expanded. We have added to our building and we have been starting
6 to go after some major food manufacturers in the country in order to obtain business from
7 them. We have increased our sales from approximately \$25 million to \$38 million this
8 year alone.

9

10 **Q. How many employees does Polytop have?**

11 A. It is somewhat seasonal, but we have approximately 200 employees at any one time.

12

13 **Q. How much has Polytop invested in capital investments in RI?**

14 A. Just in the last 7 years, I would say probably close to \$20 million.

15

16 **Q. Does Polytop have any plans to expand?**

17 A. We are constantly looking for new custom business, including from well known food
18 manufacturers and household chemical lines. We have some plans in the works right
19 now that we are working on. Some of these are getting very close and hopefully they will
20 be coming on board in the next year or two.

21

22 **Q. Is your business a competitive one?**

23 A. Yes, very much so.

1 **Q. Do you have a number of competitors?**

2 A. We have a number of competitors throughout the United States. Many of them are much
3 bigger than we are.

4

5 **Q. Are you required to bid in order to get a contract?**

6 A. Absolutely. Usually bidding is between 3 or 4 different bidders and it comes down to
7 price most of the time.

8

9 **Q. Do you operate on a thin profit margin?**

10 A. For the most part. Sometimes we may get into an area where we can get a good margin
11 on something just because it is unique, but for the most part, we are working on
12 commodity type items where the margins are very thin.

13

14 **Q. In terms of the potential impact of the proposed New Shoreham offshore project on
15 Polytop, if the Public Utilities Commission were to approve the amended Purchase
16 Power Agreement, what would the estimated monetary impact be on Polytop?**

17 A. At this time, based on our the kilowatt usage and information provided in Docket 4111,
18 we estimate the impact to be about \$40,000 to \$45,000 per year, and over the 20-year
19 course of the contract that would mean an increase of about \$880,000.

20

21 **Q. Approximately how many kilowatt hours per year does Polytop use?**

22 A. About 17 million kilowatt hours per year.

23

1 Q. **Would Polytop be getting any additional benefits from this approximate \$880,000**
2 **expenditure?**

3 A. No. It's just cash out the door for Polytop. It does not give us anything.

4
5 Q. **What impact would that cash out the door have on your ability to be competitive in**
6 **your pricing structure when you compete with others for contracts?**

7 A. The problem is we compete with some of the big competitors in the Midwest where the
8 cost of electricity is almost half of what we're paying in RI. This PPA would only add to
9 that. It is certainly not going to help keep manufacturers here, encourage expansion, or
10 bring new ones in, that's for sure.

11
12 Q. **Do you believe this project will encourage new and existing business in Rhode Island**
13 **or Quonset Point?**

14 A. No. I believe it will discourage new and existing businesses in Rhode Island. Also, there
15 are several other firms looking to install these units that are not Rhode Island based. The
16 New Bedford site is just as viable as the Quonset site for this project. There are already
17 many turbines and/or generators operating on land. They were built somewhere and it
18 was not in Rhode Island or Quonset Point.

19
20 Q. **Do you have other concerns?**

21 A. I also question whether these new units will be able to withstand the saltwater
22 environment without a very high degree of maintenance. With storms and high winds, I
23 would expect large amounts of salt deposits on the physical structure and over time, this

1 will eventually render the units inoperable. Who will cover the repair cost? I believe
2 these costs will also fall to ratepayers like Polytop.

3
4 **Q. Will Polytop and other Rhode Island businesses be negatively impacted by this**
5 **project?**

6 A. Yes. Very much so. Polytop feels that it will not experience one cent of benefit from the
7 additional cost of approximately \$42,000 per year over 20 years; a total of about
8 \$880,000. Polytop cannot support this additional cost without an increase in prices to our
9 customers which would eventually price us out of the market. We work on small margins
10 in many cases and have nearly exhausted all the avenues in automation to remain
11 competitive. An additional cost with no benefit is an unacceptable condition forced upon
12 us and could possibly cause more lay offs and impact much of our Rhode Island business.

13
14 **Q. Do you do business with other Rhode Island corporations that would be negatively**
15 **impacted as well?**

16 A. Yes. We buy robotic systems and many components from a Cranston based company
17 (Yushin America) as well as materials from Eastern Bearings and Northeast Electric, just
18 to name a few, as well as machine shops such as Creative Tool in Warwick and AR-RO
19 Engineering in North Smithfield. We employ 8 automation engineering people and
20 expect to employ additional support staff once these systems are in full operation. In
21 short, we impact other Rhode Island businesses and the economy in general. Our
22 competitors use national automation design houses for their automation needs, but they
23 have a much lower cost of electricity for not only their molding machinery but also the
24 automation equipment for second operation processing. Some of these companies in other

1 states pay significantly less for electricity than we do and would become a very attractive
2 option should our power costs continue to rise. We currently have a third party electricity
3 supplier, and combined with our distribution costs from National Grid, we pay over
4 twelve cents per kilowatt hour. We would find it very attractive to buy machinery from
5 other than a Rhode Island business as we do now and ultimately reduce our 200 people
6 work force by 8 good paying automation engineering specialists.

7
8 I believe that The only people to benefit from this project (other than National Grid and
9 Deepwater Wind) would be the residents of Block Island who will now have a cable to
10 supply electricity from the mainland. It is not in our operating budget to subsidize the
11 Block Island customers to lower their costs at the expense of our business.

12
13 **Q. What are you asking the Commission to do?**

14 A. We ask the Commission to reject this project as too costly to business. We believe these
15 greatly increased electricity costs could jeopardize already existing jobs in Rhode Island
16 as well as be a deterrent to others looking to come to Rhode Island to establish a new
17 business. Moreover, any probability of expansion at our current Rhode Island location
18 would become very unlikely. This project is not good for either the workers or the
19 residents of Rhode Island.

20
21 **Q. Does that conclude your testimony?**

22 A. Yes.

57 Crest Avenue
Wakefield, RI 02879
Home 401-782-2185

Thomas A. D'Amato

Objective

To apply over 20 years of managerial skills and to provide Plant Engineering / Facility Maintenance needs for a manufacturing business in need of such expertise

Professional Experience

1999 – Present Polytop Corporation Slatersville, RI

Manager Manufacturing Systems

- Directs the technical aspects in the Molding Automation, Assembly Automation, Electric/Electronic, Automation Engineering, Maintenance and process development departments with effective operations and cost factors.
- Total system responsibility including automation, injection molding machine and the injection molding process and auxiliary.
- Responsible for process engineering and process related improvement projects. Directs workforce needed to accomplish project completions on time and on budget.
- Responsible for demand side energy maintenance programs and reviewing energy invoices and negotiating new energy contracts.
- Establishes equipment standards and ensures pollution control compliance.
- Directs maintenance of plant and buildings and grounds.
- Coordinates requirements for new designs, surveys and maintenance schedules for equipment and machinery, both internal and external.
- Prepares bid sheets and contracts for construction and facilities acquisitions.
- Develop and maintains budgets within approved guidelines.
- Maintains chemical control reporting. Reviews MSDS sheets and recommends use and appropriate PPE.
- Responsible for environmental reporting of emissions, water resources, hazardous waste removal, and monthly monitoring of permits issued by EPA and DEM.

Achievements

- Supervised and designed new 17,000 sq ft full automation

manufacturing addition. This includes packaging systems, automated resin delivery, robotic closing/ inspection systems and the associated facilities.

- Led the implementation of robotic assembly and major electronics and vision system initiatives.
- Reduced electricity through demand management projects.
- Responsible for final selection and installation of \$5 million dye house and drug room preparation center.
- Interacted with Public utility to install 23,000 Volt, 3 Phase regulation station

Additional Experience

1986 – 1999 The Worcester Company North Providence, RI

Plant Engineer / Superintendent of Maintenance

- Responsible for the requirements of Fuel oil, electricity, natural gas, and propane to operate the plant including a 4.2 megawatt co-generation plant
- Responsible for the day to day supervision of 28 salaried and hourly employees.

1978 - 1986 Brown & Sharpe Mfg. Co. North Providence, RI

Assembly Foreman

- Responsible for a \$6 Million profit center

1974 - 1978 Zienowicz Brothers Warwick, RI

Foreman

- Redesigned and retrofit electrical systems in machinery rebuilding process

1965 - 1974 Brown & Sharpe Mfg. Co. North Kingstown, RI

Second Shift Supervisor / Field Service

- Responded to customer repairs on machine tool products

Machine Wireman

- Electrified hydraulic and electromechanical systems as they relate to machine tool operations

Education

1972 – 1974 Community College of Rhode Island: Mathematics Major

1962 – 1963 Rhode Island Radio & Electronic School

1957 – 1961 Vocational Technical School of RI: Electronic Technology

Military Experience & Education

1968 – 1969 Section Sergeant – Electronic Maintenance, Radio Repair

Group Long Binh, Viet Nam

World-Wide Communications Section Chief – Mode 5 Auto-
Din 2nd Field Force – Bien Hoa, Viet Nam

Honorable Discharge – 1970

Received Meritorious Unit Citation

US Army Radio Operator School, Fort Gordon, GA

US Army Radio Repair School, Fort Jackson, SC

US Army Radio Repair School, Fort Devens, MA

References

Available Upon Request