

Schacht & McElroy

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March 9, 2017

Luly Massaro, Clerk
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Block Island Power Company – Docket No. 4688

Dear Luly:

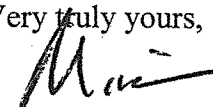
As you know, this office represents Block Island Power Company (BIPCo).

Enclosed please find an original and nine copies, together with two redacted copies, of BIPCo's Responses to the Division of Public Utilities and Carriers' First Set of Data Requests. Exhibits 1.1, 1.2, and 1.3 boldly indicate "**Contains Privileged Information – Do Not Release**", as required by Commission Rule 1.2 (g)(3).

Pursuant to Commission Rule 1.2(g)(2), request is made that the Commission make a finding that the redacted information is exempt from the mandatory public disclosure requirements of the Access to Public Records Act, R.I.G.L. § 38-2-1, et seq. ("the Act").

The grounds upon which this request is made are that the information referred to above is proprietary, privileged, and confidential critical security information.

Very truly yours,


Michael R. McElroy

MRMc:tmg
cc: Service List

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND POWER COMPANY'S
PETITION FOR DECLARATORY JUDGMENT

Docket No. 4688

BLOCK ISLAND POWER COMPANY'S RESPONSES TO THE DIVISION OF PUBLIC UTILITIES
AND CARRIERS' FIRST SET OF DATA REQUESTS DIRECTED TO
BLOCK ISLAND POWER COMPANY

Issued March 1, 2017

1. Please provide a detailed one-line station diagram of the new National Grid electrical substation built on Block island to connect the Deepwater Wind project to the mainland, showing all installed equipment, including but not limited to property boundary, buses, switchgear, circuit breakers, transformers, metering equipment, the get-away connection(s) to the wind farm, the getaway connection(s) to the cable to the mainland, and the get-away connection(s) to BIPCO's system. Please clearly identify the specific facilities for which BIPCO believes that the cost should be socialized in this proceeding.

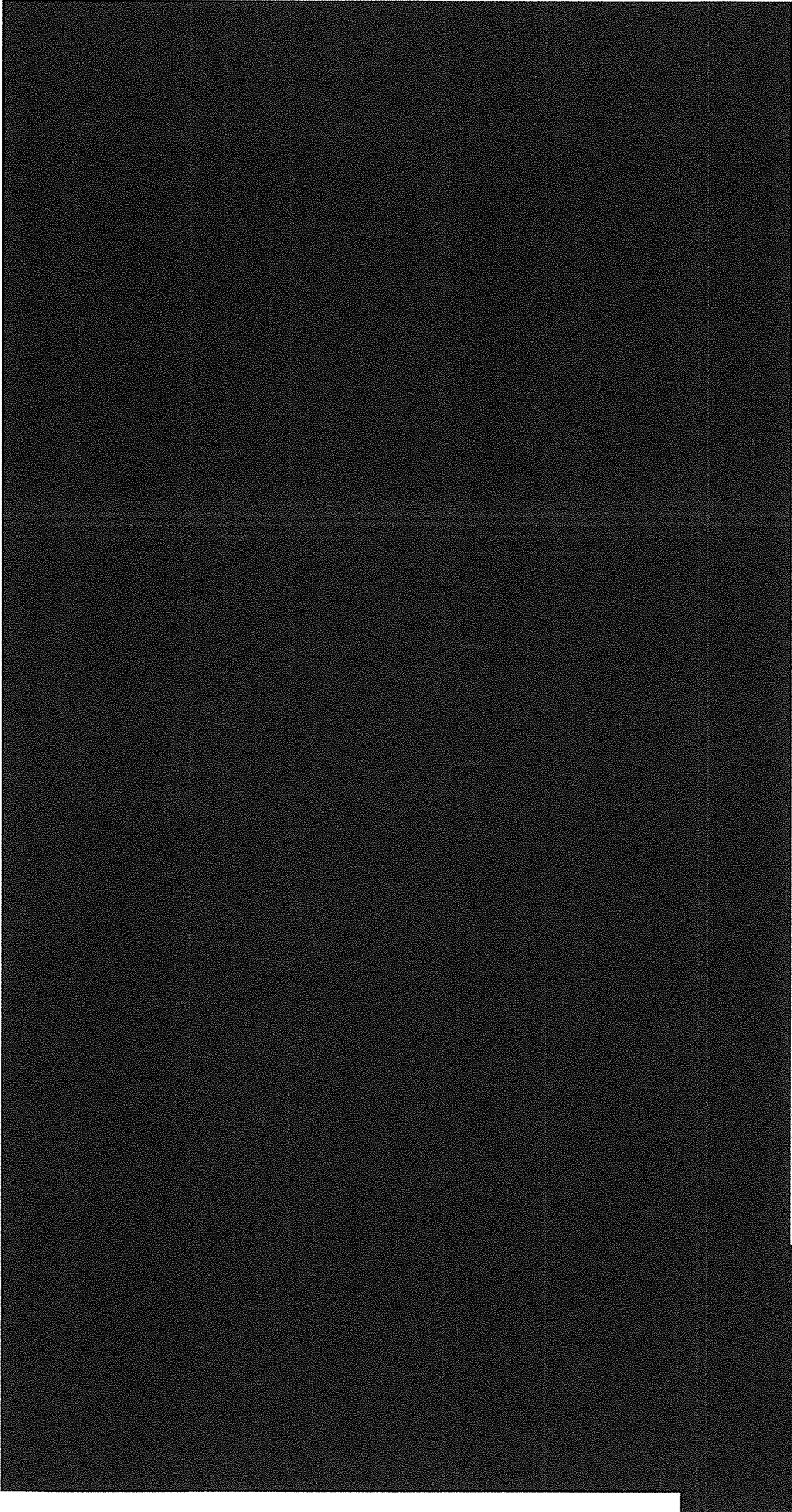
RESPONSE:

BIPCO has provided a one line drawing (BIPCO Exhibit 1.1) that identifies the electrical equipment that is associated with the National Grid, Deepwater Wind and BIPCO interconnections. This drawing was recently provided to BIPCO in a collaborative effort to develop an operating protocol to be implemented once the connection is commissioned. [Note that this exhibit contains privileged and confidential information and BIPCO requests privileged and confidential treatment under Rule 1.2(g)]. The disputed facilities are identified on the drawing inside the red clouded area. They consist of BIPCO owned and installed equipment that includes three wooden poles, overhead conductors, a disconnect switch and a circuit breaker.

These facilities are a continuation of the National Grid facilities that consists of two steel poles and overhead conductors that connect the National Grid substation with the BIPCO substation.

The ownership change is indicated by a black dashed line with each company's side clearly marked on the drawing.

Prepared by: Jeff Wright



REDACTED

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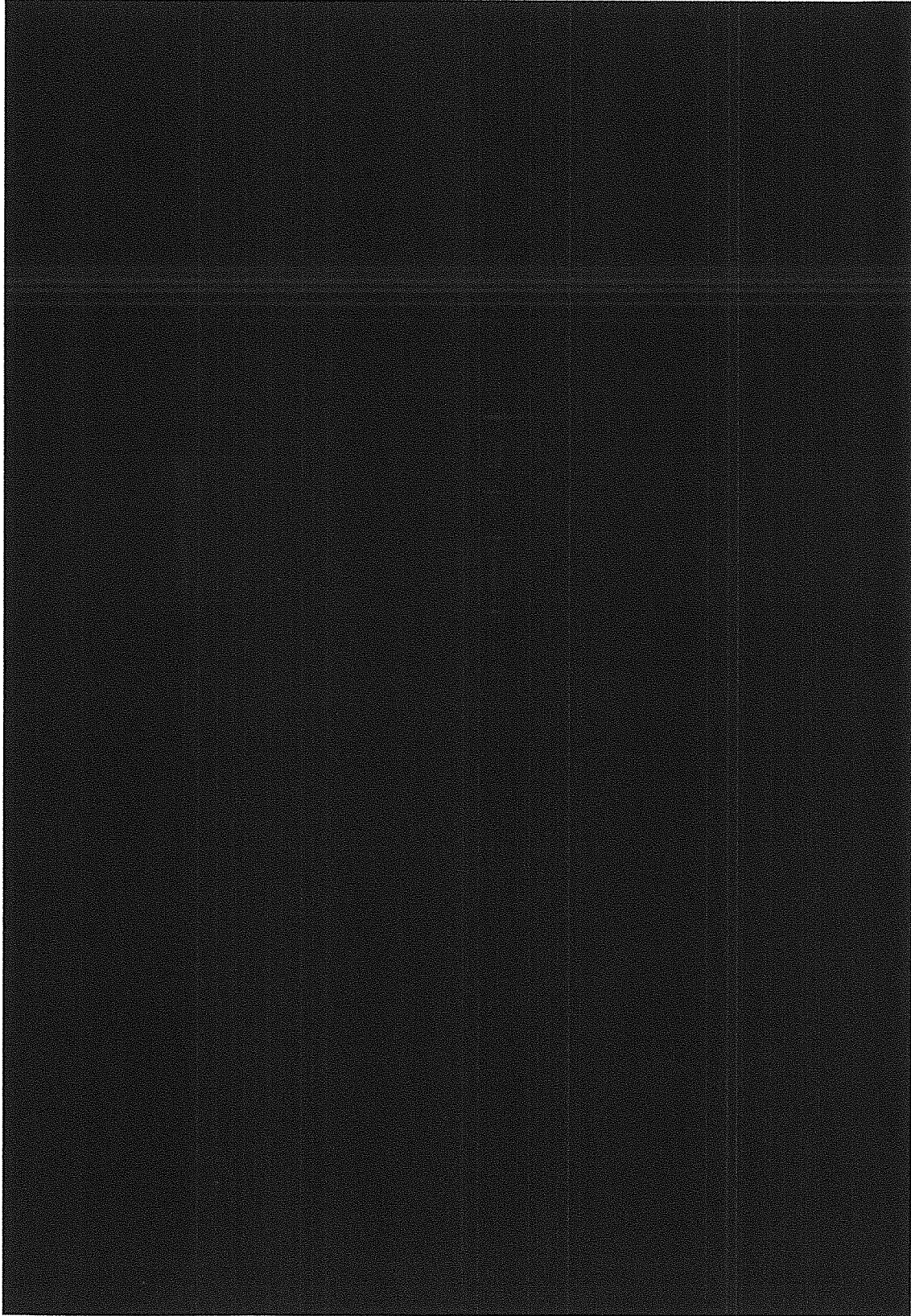
2. Please provide a detailed one-line station diagram of the existing BIPCO substation(s) where BIPCO will interconnect to National Grid, including but not limited to property boundary, buses, switchgear, circuit breakers, transformers, metering equipment, and the get-away connection(s) to the National Grid substation referenced in question 1 above.

RESPONSE:

BIPCO has provided a BIPCO facilities one line diagram (BIPCO Exhibit 1.2) that shows the electrical equipment in the existing BIPCO substation, the new National Grid Substation and the interconnecting overhead line that connects the two substations. [Note that this exhibit contains privileged and confidential information and BIPCO requests privileged and confidential treatment under Rule 1.2(g)]. The disputed facilities are within the red cloud and labeled "DISPUTED FACILITIES PAID FOR BY BIPCO". The ownership demarcation line is shown in the center of the interconnecting overhead line and is marked "National Grid/BIPCO Demarcation Line, CONNECTION POINT". The overhead line that connects the two stations is operated at 2.4kV DELTA. The overhead line consists of five spans of conductor, approximately 100'-130' in length each. The "CONNECTION POINT" is at the first wood pole that is owned by BIPCO.

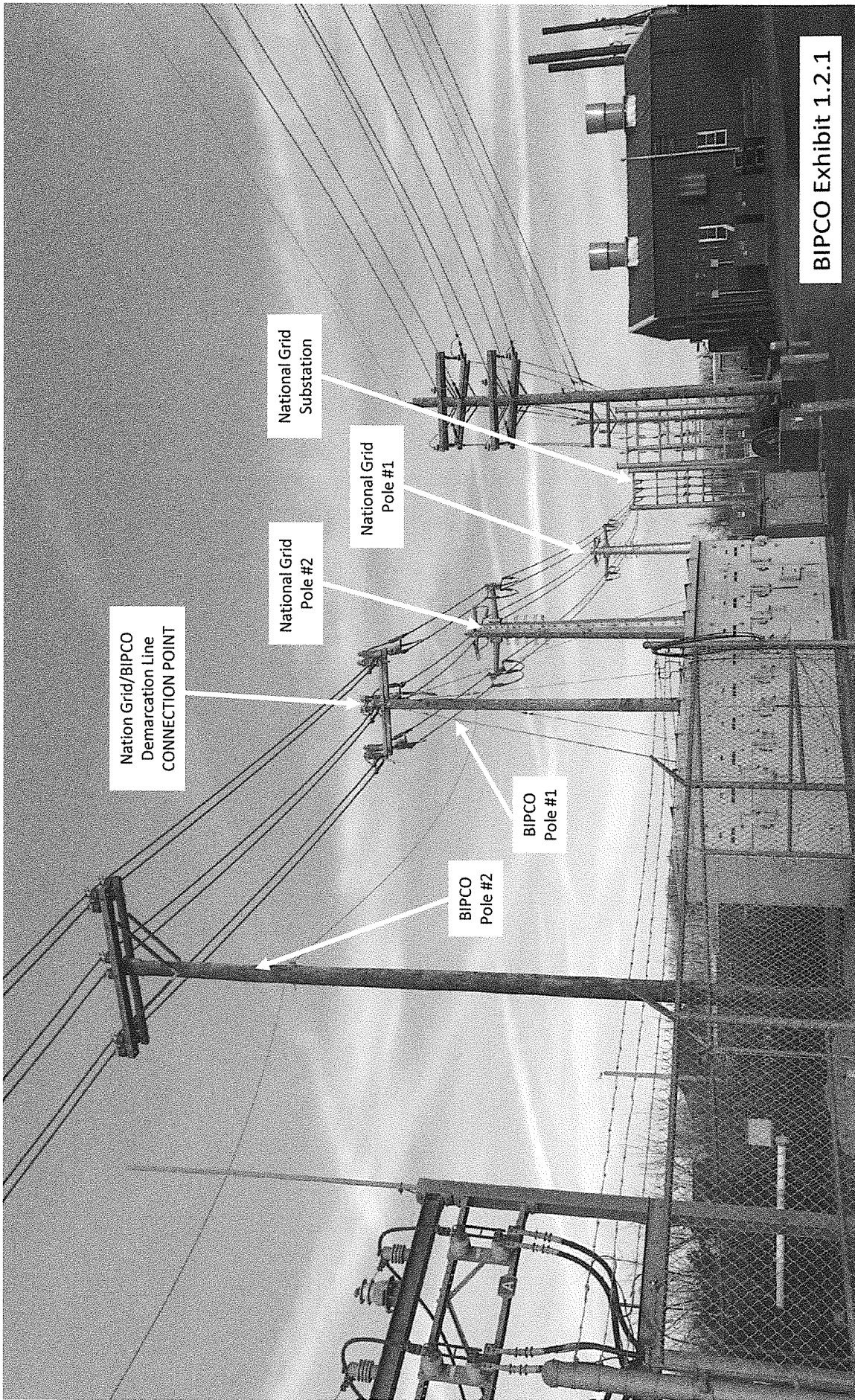
BIPCO has also included pictures of the interconnecting line, disconnects and circuit breaker. They are included as Exhibits 1.2.1 and 1.2.2. Each photo includes facility labels indicating ownership.

Prepared by: Jeff Wright



REDACTED

BIPCO Exhibit 1.2



Nation Grid/BIPCO
Demarcation Line
CONNECTION POINT

National Grid
Pole #2

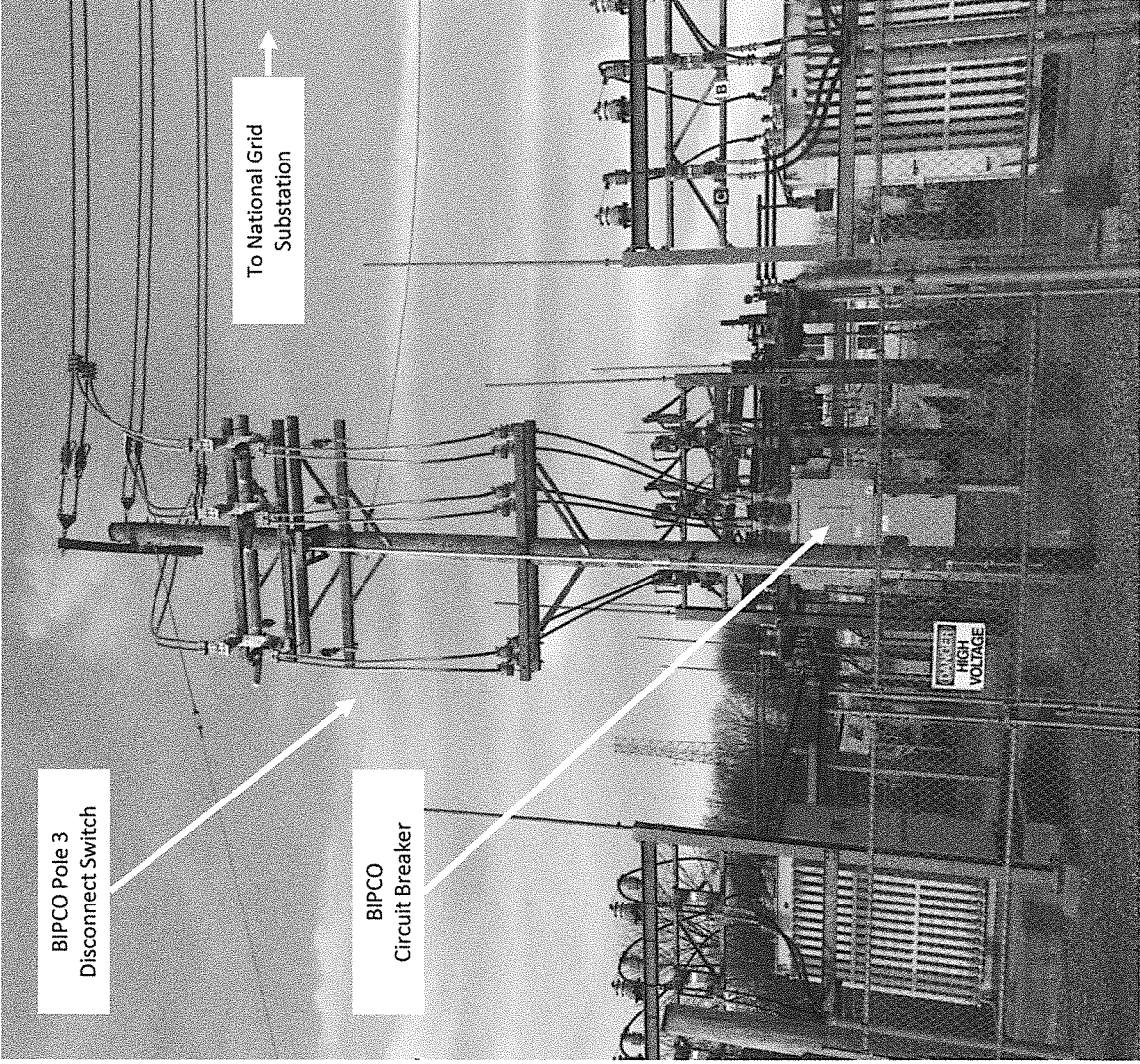
National Grid
Pole #1

National Grid
Substation

BIPCO
Pole #2

BIPCO
Pole #1

BIPCO Exhibit 1.2.1



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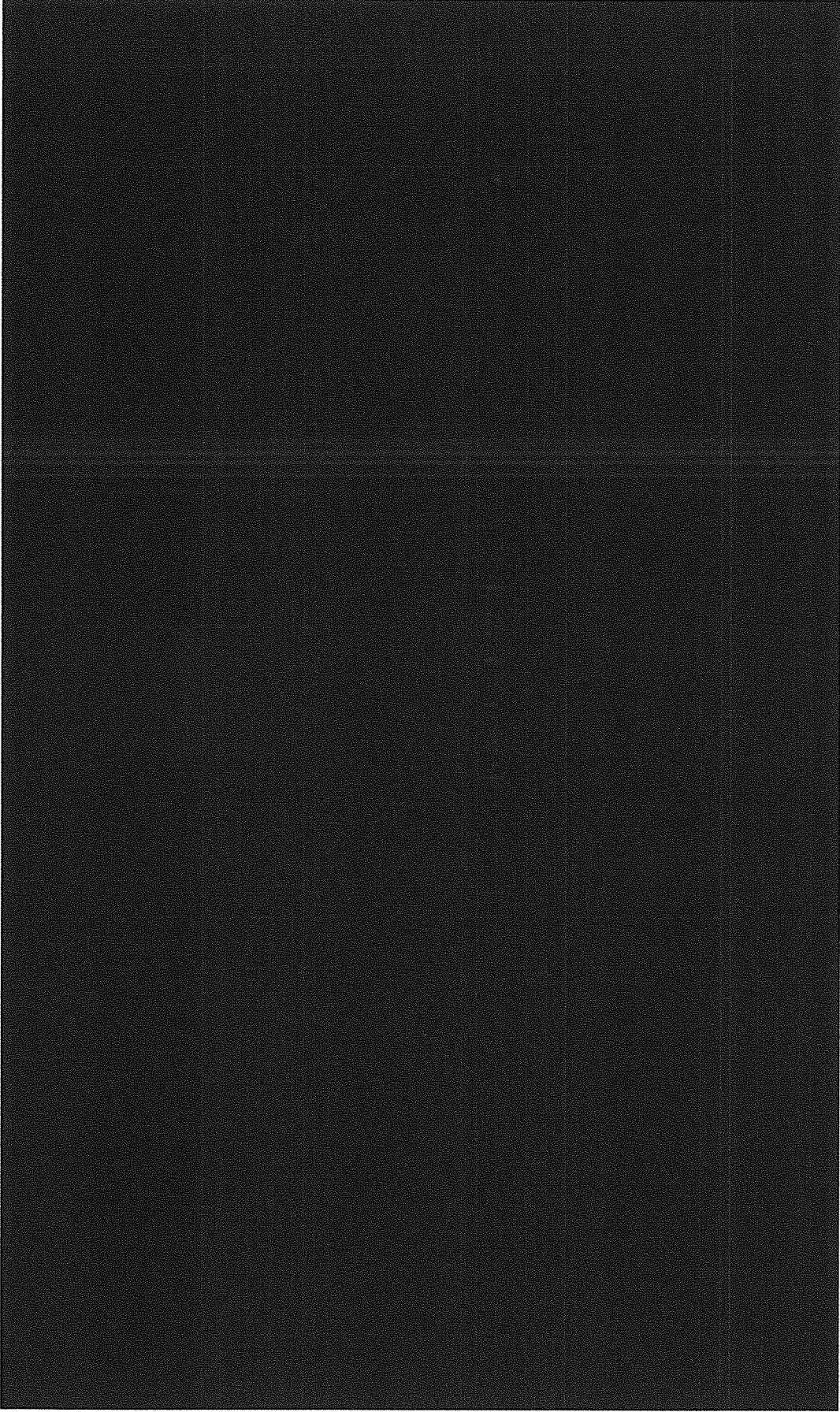
Issued March 1, 2017

3. Please provide a street-level map show the property plots for the substations referenced in questions 1 and 2 above.

RESPONSE:

BIPCO has provided a property map (BIPCO Exhibit 1.3) that indicates the National Grid substation property which is highlighted YELLOW. [Note that this exhibit contains privileged and confidential information and BIPCo requests privileged and confidential treatment under Rule 1.2(g)]. BIPCO owns all other lands unless otherwise labeled.

Prepared by: Jeff Wright



REDACTED BIPCO Exhibit 1.3

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4. The Petition states that BIPCO believes that "the cost of the construction of the Block Island interconnections" should be socialized.
 - a) Please identify where these facilities are on the one-line diagram provided in response to questions 1 and/ or 2 above.
 - b) Provide the estimated costs for these facilities.
 - c) Please identify where these costs are included in the testimony, exhibits, attachments, and schedules in Docket 4690.

RESPONSE:

4a) The Block Island interconnections are shown on Exhibit 1.1 within the red clouded area, in Exhibit 1.2 in the red clouded area and in the pictures labeled accordingly in Exhibit 1.2.1 and 1.2.2. The BIPCO interconnection facilities include three wooden poles, overhead line conductor, a disconnect switch installed at BIPCO Pole 3 and a circuit breaker providing critical protections for both companies. All BIPCO facilities are clearly marked on the exhibits.

The Block Island interconnecting facilities are simply an extension of the National Grid poles and wires that connect the two stations. Other than the different construction type, the two company's facilities serve the same purpose, operated at the same voltage and are rated the same capacity.

4b) BIPCO is estimating their portion of the interconnection at \$263,700.

4c) There are two items in Mr. Bebyn's Testimony from Docket 4690 which are at issue. The first is the National Grid Connection Direct Assignment Facilities (DAF) Charge as presented on page 2 of Mr. Bebyn's Testimony. This covers those interconnection facilities and equipment located in Grid's substation and the line connecting to BIPCo's substation. The second are the costs BIPCo has incurred related to its substation which were necessary as part of the interconnection and soft costs incurred related to the Project as presented on page 3 of Mr. Bebyn's Testimony. The breakdown of these costs is presented on Attachment 2 of Mr. Bebyn's Testimony.

Prepared by: Jeff Wright and David Bebyn CPA

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5. The Petition states that BIPCO believes that the cost of "the backup transformer" should be socialized.
 - a) Please identify where the backup transformer is on the one-line diagram provided in response to question 1 and/ or 2 above.
 - b) Provide the estimated costs for the backup transformer.
 - c) Please identify where these costs are included in the testimony, exhibits, attachments, and schedules in Docket 4690.

RESPONSE:

5a) The back-up transformer has not been purchased by National Grid, nor are there any immediate plans or request to order one, until a decision has been reached in this matter. The transformer that BIPCO wishes to be backed up is shown in Exhibit 1.2, located in the blue clouded area. The transformer is a 34.5 kV Wye / 2.4 kV Delta transformer rated at 6/7.5 MVA.

5b) The cost of a spare transformer is approximately \$450,000.

5c) Those costs have not been reflected in the Docket 4690 filing. The Docket 4690 filing covers only a 6-month period with a 3-month review. Thus, the company is awaiting guidance from the Commission in this Docket. BIPCo can adjust for the socialized costs at the 3-month review period if the Commission rules in BIPCo's favor. If it determined that the costs will not be socialized, BIPCo will have to determine if this large cost is reasonable and should be absorbed solely by BIPCo's ratepayers.

Prepared by: Jeff Wright and David Bebyn CPA

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6. Who requested that the backup transformer be installed- BIPCO or National Grid? Please provide all supporting documentation related to this issue in the possession of BIPCO.

RESPONSE:

BIPCO has not yet formally requested that a backup transformer be purchased by National Grid but has, in the past, raised the issue of a back-up transformer being available in their inventory in the event the transformer fails. Transformer failures are not uncommon and can be caused by several things such as infant mortality, manufacturing defect, internal and external faults associated with animal contacts, lightning impulses or other weather related damage.

Due to the long lead time associated with rebuilding or replacing this transformer and the critical nature of its role in supplying Block Island with a connection to the mainland power grid we believe it is simply good utility practice to have a spare on hand in the event the unit fails.

If the unit fails and there is no back up, this would force BIPCO back on diesel power generation for at least six months and possibly more depending on the current market lead times.

This would negatively impacting rates and subject BIPCO's customers to unjust volatility of fossil fuel prices, as well as impacting the environmental issues associated with the emissions.

All other equipment associated with the interconnection are normal utility materials that are readily available in National Grid's inventory, BIPCO's inventory or are easily obtained within a reasonable delivery time. The transformer is not.

BIPCO has included an e-mail (Exhibits 1.6.1 and 1.6.2) which is the only written correspondence we have had with National Grid on the matter. All other discussions have been verbal, including the estimate to purchase a spare.

Prepared by: Jeff Wright



David Bebyn <dbebyn@gmail.com>

E-Mail re: Spare Transformer and Cost Estimate Attached

1 message

Jeffery Wright <jwright@bipco.net>

Thu, Mar 9, 2017 at 11:24 AM

To: Michael McElroy <Michael@mcelroylawoffice.com>, David Bebyn <dbebyn@gmail.com>

Cc: Nancy Dodge <kpson@aol.com>

Jeffery M. Wright | President | **Block Island Power Company**

100 Ocean Avenue, P.O. Box 518, Block Island, RI 02807

Cell: 802-730-4233 | Fax: 401-466-5068

----- Forwarded message -----

From: BIPCO Admin <admin@bipco.net>

To: Jeffery Wright <jwright@bipco.net>

Cc:

Bcc:

Date: Wed, 8 Mar 2017 13:03:23 +0000

Subject: FW: BIPCo Tap - Finalize Design

Jeff,

Read this through if you haven't already.

Howell

From: Cox, Kathryn (US-WAL) [mailto:Kathryn.Cox-Arslan@nationalgrid.com]

Sent: Thursday, January 26, 2017 4:43 PM

To: BIPCO Admin <admin@bipco.net>

Subject: RE: BIPCo Tap - Finalize Design

FYI this the spare transformer estimate I provided to Cliff

From: Cox, Kathryn (US-WAL)
Sent: Thursday, January 26, 2017 4:07 PM
To: admin@bipco.net
Subject: FW: BIPCo Tap - Finalize Design

Below is my response regarding BIPCo ownership of the spare transformer

Thank you,

Kathryn

From: Cox, Kathryn (US-WAL)
Sent: Friday, April 01, 2016 6:06 PM
To: Urs, Amit; Williams, Robert L. (US-NBRO-SubEng); Maximovich, George; Cirka, David P.; 'Clifford McGinnes Sr.'; 'psmith@energynewengland.com'
Cc: Vaz, Jack; Santoro, Michael; Sharples, David; Evans, David W. (US-Waltham); 'Alexa Hiller (Alexa.Hiller@powereng.com)'; 'Andrew Fadden (Andrew.Fadden@powereng.com)'; 'Marc Tavares (marc.tavares@powereng.com)'
Subject: RE: BIPCo Tap - Finalize Design

Cliff –

Attached please find the revised centerline drawing with Structure 3 shifted per our design meeting on March 10th. Please confirm the location of the switch (or circuit switcher) so we can finalize design and move forward with material procurement

<< File: Final Centerline 3-28-16.pdf >>

When you are back from your vacation it would be helpful to touch base on the status of any further design / protection review.

I have also discussed the option of BIPCo ownership of the spare transformer with Substation O&M. As long as the transformer meets the design requirements, was maintained appropriately, and passes our tests successfully before energization we could agree to BIPCo procuring and owning the spare transformer. We would transfer ownership when/if it was needed and those details can be worked out in the Local Service Agreement. Let me know if you would like to discuss or proceed down this path any further.

Thank you,

Kathryn

From: Cox, Kathryn (US-WAL)
Sent: Friday, March 11, 2016 4:52 PM
To: Urs, Amit; Williams, Robert L. (US-NBRO-SubEng); Maximovich, George; Cirka, David P.; Clifford McGinnes Sr.; psmith@energynewengland.com
Cc: Vaz, Jack; Santoro, Michael; Sharples, David; Evans, David W. (US-Waltham); Alexa Hiller (Alexa.Hiller@powereng.com); Andrew Fadden (Andrew.Fadden@powereng.com); Marc Tavares (marc.tavares@powereng.com)
Subject: RE: BIPCo Tap - Finalize Design

All – Attached are some high level notes from our discussion yesterday:

Interconnection Design

- Location of switch – It was determined that BIPCo will own a switch on a structure outside the fence and adjacent to our P3 (terminal steel structure)
- BIPCo has requested that we investigate whether we can move our P3 structure by approx. 10 ft to accommodate their interconnection facilities – being reviewed by POWER/AMIT.
- NGRID will provide sketch of ultimate layout – POWER/AMIT
- NGRID would need to review the switch / specifications. We will provide a 2400 switch standard however it will need to be meet the capability of this interconnection (i.e. 2000 amps) – NGRID TO PROVIDE SPEC
- Once the location and property rights have been confirmed NGRID will finalize design and issue for procurement
- BIPCo requested our specs/estimates for the steel structures

Protection/Relays

- NGRID will need settings for all reclosers
- Identified there may be no protection for BIPCo's bus or GSU transformers
- BIPCo to provide recloser settings and a relay diagram for our review
- BIPCo will need to comply with Attachment F – Protection Requirements – in order for NGRID to energize the interconnection facilities. Please see attachment/requirements attached and Item 2.A. "A circuit breaker or other fault interrupting method acceptable to NEP shall be installed to isolate the Load Facility from NEP's system."

Spare Transformer

- NGRID provided high level cost estimate and specs for a spare transformer – KATHRYN TO FOLLOW UP WITH ELECTRONIC DOCUMENTS / FOUNDATION & BERM DESIGN
- Spare would be recovered through Direct Assignment Facilities Charge
- BIPCo raised that they might want to own spare transformer – KATHRYN TO REVIEW
- Spare Transformer would need to be contemplated in the Local Service Agreement

<< File: Attachment F - Pages from sch_21_nep.pdf >>

Please let me know if you have any questions/comments

Thank you,

Kathryn

-----Original Appointment-----

From: Cox, Kathryn (US-WAL)

Sent: Friday, February 26, 2016 9:13 AM

To: Cox, Kathryn (US-WAL); Urs, Amit; Williams, Robert L. (US-NBRO-SubEng); Maximovich, George; Cirka, David P.; Clifford McGinnes Sr.; psmith@energynewengland.com

Cc: Vaz, Jack; Santoro, Michael; Sharples, David; Evans, David W. (US-Waltham); Alexa Hiller (Alexa.Hiller@powereng.com); Andrew Fadden (Andrew.Fadden@powereng.com); Marc Tavares (marc.tavares@powereng.com)

Subject: BIPCo Tap - Finalize Design

When: Thursday, March 10, 2016 11:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).

Where: NGRID Office: 40 Sylvan Road, Waltham MA 02451 (CR- ResWoods - S(14) W2.803 – NEWTON)

40 Sylvan Road, Waltham MA 02451

CR- ResWoods - S(14) W2.803 – NEWTON

Conference Call 1-866-844-9417; Passcode 44729859

Topics:

- Interconnection Design (Switch Location)
- Relay Settings

- Spare Transformer
- Next Steps

Thank you,

Kathryn

Kathryn Cox-Arslan

National Grid

40 Sylvan Road

Waltham, MA 02451

Kathryn.Cox-Arslan@nationalgrid.com

(W) 781-907-2406

(C) 781-491-3242

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For the registered information on the UK operating companies within the National Grid group please use the attached link: <http://www.nationalgrid.com/corporate/legal/registeredoffices.htm>

2 attachments

 **BIPCO Spare Transformer.pdf**
50K

 **noname.eml**
124K

**Block Island Power Company
Spare Transformer - Estimate & Specifications**

Narragansett Electric can procure a spare transformer for the BIPCo interconnection. Narragansett Electric Company does not have any spare transformers at this voltage level and therefore delivery time for a replacement due to a transformer failure could be lengthy. Cost Recovery would be from BIPCo via a Direct Assignment Facilities Charge. Would require a modification to the BIPCo Local Service Agreement.

Direct Assignment Facilities Estimate:		
	Original DAF	DAF w/ Spare Transformer
Estimated Gross Plant Investment**:	\$550,000	1,000,000
NEP 2010 Carrying Charge:	16.68%	16.68%
Estimated Annual DAF Charge:	\$91,740	166,800
Monthly	\$7,645	13,900

Spare Transformer Specifications: *not included in spare transformer estimate

- Secure (locked) space
- Foundation
- Oil containment / berm
- One 4" Conduit and one 12 conductor- #10 copper control cable for the alarms and AC circuit running from the control house to the transformer storage location.
- AC feeds to control cabinet (connected to RTU/SCADA) for alarming for low oil, loss of AC power alarm
- A 120 volt 20 amp AC power source to supply voltage to the heater circuits - wired to the control house AC panel
- A loss of AV power alarm wired to the control house AC panel

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7. The last paragraph of R.I.G.L. 30-26.1-7(f) states that the allocation of costs shall be constructed such that impact on typical bills for customers of BIPCO shall be higher than for customers of National Grid. Please describe in detail how the costs to be recovered by BIPCO comply with this provision, and provide all supporting or related documentation.

RESPONSE:

The last paragraph of R.I.G.L. 30-26.1-7(f) covering allocation of costs of the transmission cable and related facilities has a calculation in which the costs are socialized throughout Rhode Island and are included in a special transmission rate (entitled National Grid Cable Surcharge). That transmission rate is already constructed so that the impact on typical bills for customers of BIPCO is higher than for BIPCO customers than for customers of National Grid. BIPCO is requesting that the same methodology be employed to socialize “the cost of the construction of the Block Island interconnections” (as BIPCO believes they are part of the “related facilities” mentioned in R.I.G.L. 30-26.1-7). By using the same methodology as the calculation for the interconnection, BIPCO would complying with this provision.

Prepared by: David Bebyn CPA