

The Narragansett Electric Company d/b/a National Grid  
and Clear River Energy LLC  
(Burrillville Interconnection Project)  
RIPUC Dkt. No. 4737

Testimony of  
Kevin C. Reardon

November 7, 2017

1 Q. Mr. Reardon, please state your name and business address.

2 A. My name is Kevin C. Reardon. My business address is 40 Sylvan Road, Waltham,  
3 Massachusetts 02451.

4 Q. By whom are you employed and in what position?

5 A. I am employed as a Lead Account Manager by National Grid USA Service Company  
6 (“National Grid”) in the Commercial Services Department.

7 Q. What are your responsibilities in that position?

8 A. I am responsible for managing the day-to-day and contractual relationships with National  
9 Grid’s wholesale electric customers in New England, which include municipal electric  
10 and gas utility companies, wholesale generators, and other investor owned utilities. My  
11 responsibilities include managing new and existing wholesale generator interconnections  
12 to National Grid’s transmission facilities and commercial related issues and transactions,  
13 including, but not limited to, transmission line relocations, asset purchases and sales,  
14 property and lease agreements, and facility upgrades.

15 Q. Please describe your education, training and experience.

16 A. I am a graduate of the State University of New York College at Oswego, holding a  
17 Bachelor of Science degree in Business Administration. I have eight years of experience  
18 in wholesale electric customer and commercial management. I have been a Lead  
19 Account Manager in Commercial Services since December of 2014; prior to that I was a  
20 Process Improvement Analyst in the Emergency Response Process Team at National  
21 Grid from January 2014 to December 2014. I was also an Analyst for the Federal

1 Energy Regulatory Commission Regulated Business jurisdiction at National Grid from  
2 August 2009 to January 2014.

3 Q. Mr. Reardon, are you familiar with the Burrillville Interconnection Project (“Project”)?

4 A. Yes. I’m participating as the business representative for the Interconnecting  
5 Transmission Owner (i.e. National Grid) through the ISO-New England’s Schedule 22  
6 Large Generator Interconnection Procedures. I have also facilitated the negotiation of the  
7 commercial contract between Clear River Energy LLC (“CRE”) and National Grid for  
8 engineering, environmental permitting, and construction.

9 Q. What is the Burrillville Interconnection Project?

10 A. The Project is a new 6.8 mile 345 kV transmission line from the proposed Clear River  
11 Energy Center (“CREC”) to National Grid’s 345 kV Sherman Road Switching Station  
12 and an expansion of the Sherman Road Switching Station to interconnect electrically the  
13 CREC to the New England electric system.

14 Q. What is the scope of your testimony in this proceeding?

15 A. I will explain who is responsible for (i) the construction costs for the facilities associated  
16 with the Project, (ii) the future annual costs of those facilities, expansions and upgrades  
17 that may be directly assigned by National Grid to CRE, which may include but are not  
18 limited to, the capital carrying cost, income tax, depreciation, operation and maintenance,  
19 administrative and general expenses and property tax, and (iii) how those costs will be  
20 isolated from transmission costs paid by New England rate payers.

21 Q. Mr. Reardon, who is responsible for the Project’s construction costs?

22 A. CRE is responsible for all construction costs pursuant to Schedule 11 of Section II and

1 Article 11 of Schedule 22 - Large Generator Interconnection Agreement (“LGIA”) of the  
2 ISO New England Open Access Transmission Tariff (“OATT”). There are three major  
3 components that make up the Project’s total construction costs. The first component is  
4 the CRE Interconnection Facilities which include two low voltage generator breakers,  
5 two generator step up transformers, a 345 kV collector bus, a 345 kV breaker and  
6 associated disconnect switches, a dead-end structure, and all associated foundations,  
7 structural supports, insulators, relaying and controls, related ancillary equipment, and 0.8  
8 miles of the new 345 kV transmission line from the CREC site, approximately 0.8 miles  
9 to the Point of Change of Ownership at the National Grid right-of-way. Pursuant to  
10 Article 11.1 of the LGIA, CRE “shall design, procure, construct, install, own and/or  
11 control the [CRE] Interconnection Facilities... at its sole expense.” The second  
12 component is National Grid’s Interconnection Facilities which include 6 miles of the new  
13 345 kV transmission line from National Grid’s Sherman Road Switching Station,  
14 including the steel A-Frame termination structure, breakers, disconnect switches, surge  
15 arrestors and all related relaying controls and ancillary equipment at the Sherman Road  
16 Switching Station, to the Point of Change of Ownership in the National Grid right-of-  
17 way. Pursuant to Article 11.2 of the LGIA, National Grid “shall design, procure,  
18 construct, install, own and/or control [National Grid’s Interconnection Facilities] ... at  
19 the sole expense of [CRE].” Lastly, the third component is the Network Upgrades which  
20 is the expansion of National Grid’s Sherman Road Switching Station to facilitate the  
21 relocation of National Grid’s existing 345 kV transmission line to accommodate the new  
22 345 kV transmission line to interconnect CREC to the New England electric system.

1 Pursuant to Article 11.3 of the LGIA, National Grid “shall design, procure, construct,  
2 install, and own the Network Upgrades... [the Network Upgrades] shall be solely funded  
3 by [CRE].”

4 Q. Is CRE responsible for costs associated with the future operation and maintenance of the  
5 new transmission line?

6 A. Yes, pursuant to Article 10.2 of the LGIA, “[CRE] shall be responsible for all reasonable  
7 expenses including overheads, associated with: (1) owning, operating, maintaining,  
8 repairing, and replacing [CRE’s] Interconnection Facilities; and (2) operation,  
9 maintenance, repair and replacement of [National Grid’s] Interconnection Facilities [and]  
10 Network Upgrades...”

11 Q. How does National Grid insure that future operation and maintenance costs recovered are  
12 paid by CRE and not other customers?

13 A. The future operation and maintenance costs are recovered using a Direct Assignment  
14 Facilities (“DAF”) mechanism. The DAF mechanism uses year-end gross plant  
15 investment amounts for the annual costs of the facilities, expansions and upgrades  
16 associated with the Project, that may be assigned by National Grid to CRE, and multiplies  
17 that amount by a Carrying Charge calculated annually in accordance with Schedule 21 -  
18 NEP of OATT. The amount billed to CRE is credited against the overall Revenue  
19 Requirement calculation monthly. This ensures that any costs included in the overall  
20 Revenue Requirement are offset by the credit given for the DAF.

21 Q. Is there a regularly scheduled review and reconciliation of these costs?

22 A. The DAF is updated annually and a true-up is completed to collect any over/ under

1 charges incurred by CRE.

2 Q. Does this complete your testimony?

3 A. Yes, it does.