

February 18, 2020

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4995 - National Grid's Proposed FY 2021 Electric Infrastructure, Safety, and Reliability Plan**  
**Rebuttal Testimony**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed ten (10) copies of the Company's joint rebuttal testimony of Patricia C. Easterly and Kathy Castro in response to the pre-filed direct testimony of Gregory L. Booth dated February 7, 2020 on behalf of the Rhode Island Division Public Utilities and Carriers in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosure

cc: Docket 4995 Service List  
Christy Hetherington, Esq.  
John Bell, Division  
Greg Booth, Division  
Linda Kushner, Division  
Al Contente, Division

---

<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

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

February 18, 2020  
Date

**Docket No. 4995 - National Grid's Electric ISR Plan FY 2021  
Service List as of 12/26/2019**

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**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4995  
RE: FY 2021 ELECTRIC INFRASTRUCTURE,  
SAFETY, AND RELIABILITY PLAN  
REBUTTAL WITNESSES: PATRICIA C. EASTERLY AND KATHY CASTRO  
FEBRUARY 18, 2020**

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**JOINT REBUTTAL TESTIMONY**

**OF**

**PATRICIA C. EASTERLY**

**AND**

**KATHY CASTRO**

**February 18, 2020**

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1 **I. Introduction and Qualifications of Patricia C. Easterly**

2 **Q. Ms. Easterly, please state your name and business address.**

3 A. My name is Patricia Easterly. My business address is 40 Sylvan Road, Waltham, MA  
4 02451.

5

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

7 A. I am employed by National Grid USA Service Company, Inc. (National Grid) as Director  
8 – New England Electric Performance and Planning. In my position, I am responsible for  
9 regulatory compliance for The Narragansett Electric Company d/b/a National Grid (the  
10 Company) related to electric distribution operations, and in particular, for capital  
11 expenditures, in Rhode Island.

12

13 **Q. Have you previously submitted testimony in this proceeding?**

14 A. Yes, I previously submitted pre-filed direct testimony in this proceeding on December 20,  
15 2019.

16

17 **II. Introduction and Qualifications of Kathy Castro**

18 **Q. Ms. Castro, please state your name and business address.**

19 A. My name is Kathy Castro. My business address is 280 Melrose Street, Providence, RI  
20 02907.

21

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

2 A. I am employed by National Grid as an Engineering Manager in the Distribution Planning  
3 and Asset Management Department. In my position, I am responsible for planning and  
4 oversight of projects and programs that ensure a safe and reliable electric distribution  
5 system.

6  
7 **Q. Have you previously submitted testimony in this proceeding?**

8 A. Yes, I previously submitted pre-filed direct testimony in this proceeding on December 20,  
9 2019.

10

11 **III. Purpose of Rebuttal Testimony**

12 **Q. What is the purpose of your joint rebuttal testimony?**

13 A. The purpose of our joint rebuttal testimony is to respond to the pre-filed direct testimony,  
14 including the report attached thereto as Exhibit GLB-1 (the Report), of Gregory L. Booth,  
15 PE, President, Gregory L. Booth, PLLC (referred to as Mr. Booth or the Division's  
16 Consultant), which was filed in this proceeding on behalf of the Rhode Island Division of  
17 Public Utilities and Carriers (Division) on February 7, 2020.

18

19 **Q. How is your testimony organized?**

20 A. Sections I and II comprise the Introduction and Qualifications of Company Witnesses  
21 Patricia C. Easterly and Kathy Castro. Section III is the Purpose of Rebuttal of

1           Testimony. In Section IV, we respond to several observations and a recommendation  
2           made by the Division’s Consultant. Our responses are broken up by the following topics:  
3           (1) Area Studies; (2) Demarcation Between Damage/Failure and I&M Expenditures; (3)  
4           Electric Infrastructure, Safety, And Reliability (ISR) Plan Development and Grid  
5           Modernization Strategy; (4) ISR Plan Documents and Presentation; (5) Strategic  
6           Distributed Energy Resource (DER); and (6) Application of Docket 4600 Benefit-Cost  
7           Framework.

8  
9   **IV. Response to Report by the Division’s Consultant**

10 (1) Area Studies

11 **Q. How does the Company respond to the statement made by the Division’s Consultant**  
12 **on page 11 of the Report which reads “[d]elivery of the [area] studies continues to**  
13 **fall short of the Division’s expected schedule?”**

14 A. The Company is committed to completing the Area Studies in advance of the FY 2023 ISR  
15 Plan. This timing aligns with Mr. Booth’s testimony from March 5, 2019 in the FY 2020  
16 ISR Plan, Docket No. 4915 during which he stated that he hoped all the Area Studies would  
17 be finished in the next three years, as well as the Public Utilities Commission’s (PUC)  
18 requirement pursuant to their Open Meeting decision on March 19, 2019. The Company  
19 is on pace to complete all the Area Studies by that time.

1 **Q. Are there any major projects in this year's ISR Plan that stem from Area Studies?**

2 A. Yes, and as Mr. Booth confirms in his Report, the first major projects stemming from  
3 completed Area Studies are now in the ISR.

4  
5 **Q. Are there any new major projects in the ISR Plan located in areas that lack a  
6 completed Area Study?**

7 A. No, the Company is committed to not advancing major projects into the ISR until Area  
8 Studies are complete.

9  
10 **Q. Did the Company address how it conducts system planning in the FY 2021 ISR  
11 Plan?**

12 A. Yes. In Section 2, System Planning, Bates Pages 45-50, and in the joint testimony of  
13 Company Witnesses Patricia C. Easterly and Kathy Castro, Bates Pages 8-9, the  
14 Company provided additional detail and transparency around its system planning  
15 processes, which include annual capacity reviews and area planning studies. The annual  
16 capacity reviews inform and help to prioritize the area planning studies, sometimes  
17 referred to as an Area Study. The Company also provided additional detail regarding  
18 each stage of the Area Studies, and expanded Chart 1 to show additional information  
19 regarding the status of its annual planning review, the stage of each Area Study, and the  
20 expected commencement of the next Area Study. See Section 1, Chart 1, Bates Page 39.

21

1 (2) Demarcation Between Damage/Failure and I&M Expenditures

2 **Q. How does the Company respond to the statement made by the Division’s Consultant**  
3 **on page 17 of the Report which reads “[t]he Division desires a clearer line of**  
4 **demarcation between Damage/Failure and I&M expenditures?”**

5 A. The Company is developing plans and processes towards implementing a “fix on failure”  
6 asset replacement strategy that will incorporate a narrower definition for what constitutes  
7 a non-discretionary item. The Company is committed to begin implementing changes  
8 during FY 2021 and will monitor the changes. When the process to develop the FY 2022  
9 ISR Plan begins, the Company will only be a few months into the FY 2021 ISR Plan,  
10 meaning the Company may require additional time to assess the changes and make  
11 refinements prior to executing a final strategy.

12

13 (3) ISR Plan Development and Grid Modernization Strategy

14 **Q. How does the Company respond to the concerns raised by the Division’s Consultant**  
15 **on pages 52 and 53 of the Report regarding the Company’s lack of transparency**  
16 **and cohesiveness between the Company’s design criteria, System Reliability**  
17 **Procurement (SRP), Area Studies, and lack of a grid modernization strategy?**

18 A. We disagree with the Division’s Consultant’s statement that the Company lacks  
19 cohesiveness between design criteria, System Reliability Procurement, and Area Studies  
20 and with the statement that the Company lacks a grid modernization strategy.

21

1       The Company attempted to show the coordination between system planning and SRP in  
2       the FY 2021 ISR Plan. As stated above, the Company included additional detail in the  
3       ISR Plan regarding its system planning processes, which include annual capacity reviews  
4       and area planning studies. The Company then described the stages of the Area Studies,  
5       which included a description of the stages during which the Company begins to screen  
6       for and evaluate potential non wires alternatives (NWA) based on the criteria defined in  
7       the SRP Standards, as approved in Docket No. 4684. If an NWA solution is identified, it  
8       would be progressed for procurement options, regulatory review and funding through the  
9       SRP. See Section 2, System Planning, Bates Pages 45-50.

10  
11       With respect to a grid modernization strategy, the Company has a grid modernization  
12       strategy, and continues to formally develop and document that strategy through the Grid  
13       Modernization Plan (GMP), which has undergone significant input from stakeholders,  
14       including the Division and Office of Energy Resources, over the past fiscal year. The  
15       Company has also previewed its grid modernization strategy, through the GMP, with the  
16       PUC at the Power Sector Transformation (PST) Workshop held on April 9, 2019, and  
17       most recently at a Technical Session on November 5, 2019. The Company anticipates  
18       that the GMP will be submitted to the PUC later this year. We would also like to  
19       emphasize that the ISR team works closely with the grid modernization team to ensure  
20       that prospective ISR projects are consistent with the Company's grid modernization  
21       strategy.

1 (4) ISR Plan Documents and Presentation

2 **Q. How does the Company respond to the guidance offered by the Division's**  
3 **Consultant in regards to proposed enhancements for ISR Plan presentation?**

4 A. The Company recognizes that the information it has provided in prior plan documents  
5 and pre-planning material is voluminous and complex, and, therefore, can be challenging  
6 to synthesize in one plan document. To that end, the Company fully supports the  
7 Division's Consultant's recommendation to enhance the way future ISR Plans are  
8 presented. In November of 2019, the Company began discussions with the Division on  
9 this topic and agreed to make reasonable changes that could be accomplished in the three  
10 weeks prior to the finalizing of the 2021 FY ISR Plan, which are reflected in this year's  
11 filing. However, the Company agrees that more changes are needed to ensure  
12 stakeholders can readily understand the coordination, information, and processes the  
13 Company undertakes to develop the ISR Plan so that stakeholders can more readily  
14 comprehend the need for capital investments. This is likely to result in a complete  
15 redesign of ISR Plan materials. The Company will continue to collaborate with the  
16 Division in advance of the FY 2022 ISR Plan filing.

17

1 (5) Strategic Distributed Energy Resource (DER)

2 **Q. How does the Company respond to the recommendation made by the Division’s**  
3 **Consultant on page 50 of the Report which reads “[w]ithin the Strategic DER**  
4 **Advancement program, however, the Division recommends that the Company delay**  
5 **deployment of \$2 million for advanced field devices until those projects are**  
6 **correlated with an approved GMP?”**

7 A. While the Company acknowledges that the GMP has not yet been filed, the system  
8 compliance issues resulting from the aggregation of distributed energy resources (DER)  
9 are happening now. The table below shows the total number and total capacity of  
10 interconnected DER projects and total number and capacity of DER projects in queue for  
11 Rhode Island.

State	Connected		Pending MW	
	Number of Applications	Capacity (MW)	Number of Applications	Capacity (MW)
RI	7,409	250	1,471	746

13  
14 Given that the pending GMP proceeding will take place on a different time table from the  
15 ISR Plan, which runs from April 1 to March 31, deferring these investments until after  
16 the GMP is approved may mean that the Company is not able to execute that work until  
17 late in FY 2021 and possibly not until FY 2022. This means that if and when system  
18 issues arise that relate to the aggregation of DER, the Company will need to continue to

1 advance solutions through system improvement projects associated with DER  
2 interconnection, which may pose delays in interconnection schedules, or through  
3 emergency system performance response, the costs of which would be charged to a  
4 reliability blanket project.

5  
6 While the Company can defer the proposed investments until after the GMP is approved,  
7 as the Division recommends, the Company believes, for the reasons stated above, that it is  
8 prudent to advance the proposed investments, which are modest and discreet in nature, as  
9 part of the FY 2021 ISR Plan and not delay that work.

10  
11 **Q. How does the Company respond to the statement made by the Division’s Consultant**  
12 **on page 40 of the Report which reads “[d]iscussions with the Company identified**  
13 **spending overlap between the [VVO/CVR program and Strategic DER**  
14 **Advancement]?”**

15 A. The Company disagrees with the classification of these programs as spending overlap.  
16 While the VVO, Recloser, and DER advancement programs utilize the same advanced  
17 devices as solutions, the main drivers, which require the installation and replacement of  
18 devices, are different. For VVO, the Company has a prioritized list that focuses on  
19 stations and circuits that will produce the largest energy savings, while the DER  
20 Advancement will primarily focus on areas that have certain characteristics, which pose  
21 system performance challenges that arise from the aggregation of DER interconnections.

1 **Q. How does the Company respond to the Division’s Consultant’s statements regarding**  
2 **3VO cost responsibility on page 47 of the Report?**

3 A. On page 47 of the Report, Mr. Booth states:

4 My experience in many states shows that DER owners are  
5 responsible for the cost to alleviate operational impacts that  
6 their project may cause on the system. The Company follows  
7 this philosophy within its interconnection standards, . . .  
8 [h]owever, through this Strategic DER initiative in Rhode  
9 Island, the Company is accepting the responsibility and cost  
10 for 3VO where groups of DER projects may benefit.  
11

12 The Company’s proposed 3VO accelerated program does not propose to change the way  
13 in which costs for specific DER interconnection projects are assigned. The 3VO  
14 accelerated program, which the Company is proposing as part of its Strategic DER  
15 Advancement program in the FY 2021 ISR Plan proposes to expand the installation of  
16 protection schemes required to address the system issue happening at the present time as  
17 a result of the aggregate impact of many DER resources being added to the system in a  
18 manner that does not allow costs to be readily allocated to a specific DER interconnection  
19 project. The Company will continue to assign required system modification costs, such  
20 as 3VO, to DER interconnection projects if it is determined that they are specifically  
21 required due to that project.  
22

1 (6) Application of Docket 4600 Benefit-Cost Framework

2 **Q. How does the Company respond to the statements made by the Division's**  
3 **Consultant on pages 55-57 of the Report regarding application of Docket 4600**  
4 **Benefit Cost Framework (Framework)?**

5 A. The Framework was developed through a collaborative stakeholder process from the  
6 perspective of DER investments, and not with the traditional utility infrastructure  
7 investments in mind. As discussed on Bates Pages 19-28 of the Company's prefiled joint  
8 testimony, the Company attempted to apply the Framework to new or incremental  
9 projects and programs in the FY 2021 ISR Plan, one of which included the New  
10 Lafayette Substation, a non-DER, traditional utility infrastructure investment. For the  
11 first time, the Company also applied a quantitative methodology, but noted that this  
12 methodology had not been adopted for all utility investments, nor had it been subjected to  
13 a stakeholder process or PUC review. The Company also submits that the application of  
14 the Framework to traditional utility investments is not yet mature and more work is  
15 needed to understand how and to what extent the 34 categories in the Framework should  
16 be applied to the ISR. During discussions with the Division's Consultant on the  
17 application of the Framework to ISR capital investment, the parties agreed in principal  
18 that certain asset condition projects may not require a benefit cost analysis where asset  
19 condition is so deteriorated that it supersedes any quantifiable methodology. In addition,  
20 the Company submits for consideration whether major projects emanating from Area  
21 Studies should not require a separate benefit cost analysis because inherent in the area

1           planning study process is an evaluation of alternatives and relative costs and benefits.

2           See Section 2, System Planning, Bates Pages 45-47.

3

4           The Company is open to refining the Framework, as the Division’s Consultant suggests,

5           so that it can be applied to traditional, non-DER investments and/or assess whether the

6           Framework should apply to only certain investments such as new or incremental

7           programs in the ISR; however, such work should be done in collaboration with

8           stakeholder input and guidance from the PUC.

9

10   **V.    Conclusion**

11   **Q.    Does this conclude your rebuttal testimony?**

12   **A.    Yes.**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4995  
RE: FY 2021 ELECTRIC INFRASTRUCTURE,  
SAFETY, AND RELIABILITY PLAN  
REBUTTAL WITNESSES: PATRICIA C. EASTERLY AND KATHY CASTRO  
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**JOINT REBUTTAL TESTIMONY**

**OF**

**PATRICIA C. EASTERLY**

**AND**

**KATHY CASTRO**

**February 18, 2020**

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1 **I. Introduction and Qualifications of Patricia C. Easterly**

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3 A. My name is Patricia Easterly. My business address is 40 Sylvan Road, Waltham, MA  
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6 **Q. By whom are you employed and in what position?**

7 A. I am employed by National Grid USA Service Company, Inc. (National Grid) as Director  
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10 Company) related to electric distribution operations, and in particular, for capital  
11 expenditures, in Rhode Island.

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13 **Q. Have you previously submitted testimony in this proceeding?**

14 A. Yes, I previously submitted pre-filed direct testimony in this proceeding on December 20,  
15 2019.

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17 **II. Introduction and Qualifications of Kathy Castro**

18 **Q. Ms. Castro, please state your name and business address.**

19 A. My name is Kathy Castro. My business address is 280 Melrose Street, Providence, RI  
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4 oversight of projects and programs that ensure a safe and reliable electric distribution  
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11 **III. Purpose of Rebuttal Testimony**

12 **Q. What is the purpose of your joint rebuttal testimony?**

13 A. The purpose of our joint rebuttal testimony is to respond to the pre-filed direct testimony,  
14 including the report attached thereto as Exhibit GLB-1 (the Report), of Gregory L. Booth,  
15 PE, President, Gregory L. Booth, PLLC (referred to as Mr. Booth or the Division's  
16 Consultant), which was filed in this proceeding on behalf of the Rhode Island Division of  
17 Public Utilities and Carriers (Division) on February 7, 2020.

18

19 **Q. How is your testimony organized?**

20 A. Sections I and II comprise the Introduction and Qualifications of Company Witnesses  
21 Patricia C. Easterly and Kathy Castro. Section III is the Purpose of Rebuttal of

1           Testimony. In Section IV, we respond to several observations and a recommendation  
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5           Modernization Strategy; (4) ISR Plan Documents and Presentation; (5) Strategic  
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7           Framework.

8  
9   **IV. Response to Report by the Division’s Consultant**

10 (1) Area Studies

11 **Q. How does the Company respond to the statement made by the Division’s Consultant**  
12 **on page 11 of the Report which reads “[d]elivery of the [area] studies continues to**  
13 **fall short of the Division’s expected schedule?”**

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15 Plan. This timing aligns with Mr. Booth’s testimony from March 5, 2019 in the FY 2020  
16 ISR Plan, Docket No. 4915 during which he stated that he hoped all the Area Studies would  
17 be finished in the next three years, as well as the Public Utilities Commission’s (PUC)  
18 requirement pursuant to their Open Meeting decision on March 19, 2019. The Company  
19 is on pace to complete all the Area Studies by that time.

1 **Q. Are there any major projects in this year's ISR Plan that stem from Area Studies?**

2 A. Yes, and as Mr. Booth confirms in his Report, the first major projects stemming from  
3 completed Area Studies are now in the ISR.

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5 **Q. Are there any new major projects in the ISR Plan located in areas that lack a  
6 completed Area Study?**

7 A. No, the Company is committed to not advancing major projects into the ISR until Area  
8 Studies are complete.

9  
10 **Q. Did the Company address how it conducts system planning in the FY 2021 ISR  
11 Plan?**

12 A. Yes. In Section 2, System Planning, Bates Pages 45-50, and in the joint testimony of  
13 Company Witnesses Patricia C. Easterly and Kathy Castro, Bates Pages 8-9, the  
14 Company provided additional detail and transparency around its system planning  
15 processes, which include annual capacity reviews and area planning studies. The annual  
16 capacity reviews inform and help to prioritize the area planning studies, sometimes  
17 referred to as an Area Study. The Company also provided additional detail regarding  
18 each stage of the Area Studies, and expanded Chart 1 to show additional information  
19 regarding the status of its annual planning review, the stage of each Area Study, and the  
20 expected commencement of the next Area Study. See Section 1, Chart 1, Bates Page 39.

21

1 (2) Demarcation Between Damage/Failure and I&M Expenditures

2 **Q. How does the Company respond to the statement made by the Division’s Consultant**  
3 **on page 17 of the Report which reads “[t]he Division desires a clearer line of**  
4 **demarcation between Damage/Failure and I&M expenditures?”**

5 A. The Company is developing plans and processes towards implementing a “fix on failure”  
6 asset replacement strategy that will incorporate a narrower definition for what constitutes  
7 a non-discretionary item. The Company is committed to begin implementing changes  
8 during FY 2021 and will monitor the changes. When the process to develop the FY 2022  
9 ISR Plan begins, the Company will only be a few months into the FY 2021 ISR Plan,  
10 meaning the Company may require additional time to assess the changes and make  
11 refinements prior to executing a final strategy.

12

13 (3) ISR Plan Development and Grid Modernization Strategy

14 **Q. How does the Company respond to the concerns raised by the Division’s Consultant**  
15 **on pages 52 and 53 of the Report regarding the Company’s lack of transparency**  
16 **and cohesiveness between the Company’s design criteria, System Reliability**  
17 **Procurement (SRP), Area Studies, and lack of a grid modernization strategy?**

18 A. We disagree with the Division’s Consultant’s statement that the Company lacks  
19 cohesiveness between design criteria, System Reliability Procurement, and Area Studies  
20 and with the statement that the Company lacks a grid modernization strategy.

21

1       The Company attempted to show the coordination between system planning and SRP in  
2       the FY 2021 ISR Plan. As stated above, the Company included additional detail in the  
3       ISR Plan regarding its system planning processes, which include annual capacity reviews  
4       and area planning studies. The Company then described the stages of the Area Studies,  
5       which included a description of the stages during which the Company begins to screen  
6       for and evaluate potential non wires alternatives (NWA) based on the criteria defined in  
7       the SRP Standards, as approved in Docket No. 4684. If an NWA solution is identified, it  
8       would be progressed for procurement options, regulatory review and funding through the  
9       SRP. See Section 2, System Planning, Bates Pages 45-50.

10  
11       With respect to a grid modernization strategy, the Company has a grid modernization  
12       strategy, and continues to formally develop and document that strategy through the Grid  
13       Modernization Plan (GMP), which has undergone significant input from stakeholders,  
14       including the Division and Office of Energy Resources, over the past fiscal year. The  
15       Company has also previewed its grid modernization strategy, through the GMP, with the  
16       PUC at the Power Sector Transformation (PST) Workshop held on April 9, 2019, and  
17       most recently at a Technical Session on November 5, 2019. The Company anticipates  
18       that the GMP will be submitted to the PUC later this year. We would also like to  
19       emphasize that the ISR team works closely with the grid modernization team to ensure  
20       that prospective ISR projects are consistent with the Company's grid modernization  
21       strategy.

1 (4) ISR Plan Documents and Presentation

2 **Q. How does the Company respond to the guidance offered by the Division's**  
3 **Consultant in regards to proposed enhancements for ISR Plan presentation?**

4 A. The Company recognizes that the information it has provided in prior plan documents  
5 and pre-planning material is voluminous and complex, and, therefore, can be challenging  
6 to synthesize in one plan document. To that end, the Company fully supports the  
7 Division's Consultant's recommendation to enhance the way future ISR Plans are  
8 presented. In November of 2019, the Company began discussions with the Division on  
9 this topic and agreed to make reasonable changes that could be accomplished in the three  
10 weeks prior to the finalizing of the 2021 FY ISR Plan, which are reflected in this year's  
11 filing. However, the Company agrees that more changes are needed to ensure  
12 stakeholders can readily understand the coordination, information, and processes the  
13 Company undertakes to develop the ISR Plan so that stakeholders can more readily  
14 comprehend the need for capital investments. This is likely to result in a complete  
15 redesign of ISR Plan materials. The Company will continue to collaborate with the  
16 Division in advance of the FY 2022 ISR Plan filing.

17

1 (5) Strategic Distributed Energy Resource (DER)

2 **Q. How does the Company respond to the recommendation made by the Division’s**  
3 **Consultant on page 50 of the Report which reads “[w]ithin the Strategic DER**  
4 **Advancement program, however, the Division recommends that the Company delay**  
5 **deployment of \$2 million for advanced field devices until those projects are**  
6 **correlated with an approved GMP?”**

7 A. While the Company acknowledges that the GMP has not yet been filed, the system  
8 compliance issues resulting from the aggregation of distributed energy resources (DER)  
9 are happening now. The table below shows the total number and total capacity of  
10 interconnected DER projects and total number and capacity of DER projects in queue for  
11 Rhode Island.

State	Connected		Pending MW	
	Number of Applications	Capacity (MW)	Number of Applications	Capacity (MW)
RI	7,409	250	1,471	746

13  
14 Given that the pending GMP proceeding will take place on a different time table from the  
15 ISR Plan, which runs from April 1 to March 31, deferring these investments until after  
16 the GMP is approved may mean that the Company is not able to execute that work until  
17 late in FY 2021 and possibly not until FY 2022. This means that if and when system  
18 issues arise that relate to the aggregation of DER, the Company will need to continue to

1 advance solutions through system improvement projects associated with DER  
2 interconnection, which may pose delays in interconnection schedules, or through  
3 emergency system performance response, the costs of which would be charged to a  
4 reliability blanket project.

5  
6 While the Company can defer the proposed investments until after the GMP is approved,  
7 as the Division recommends, the Company believes, for the reasons stated above, that it is  
8 prudent to advance the proposed investments, which are modest and discreet in nature, as  
9 part of the FY 2021 ISR Plan and not delay that work.

10  
11 **Q. How does the Company respond to the statement made by the Division’s Consultant**  
12 **on page 40 of the Report which reads “[d]iscussions with the Company identified**  
13 **spending overlap between the [VVO/CVR program and Strategic DER**  
14 **Advancement]?”**

15 A. The Company disagrees with the classification of these programs as spending overlap.  
16 While the VVO, Recloser, and DER advancement programs utilize the same advanced  
17 devices as solutions, the main drivers, which require the installation and replacement of  
18 devices, are different. For VVO, the Company has a prioritized list that focuses on  
19 stations and circuits that will produce the largest energy savings, while the DER  
20 Advancement will primarily focus on areas that have certain characteristics, which pose  
21 system performance challenges that arise from the aggregation of DER interconnections.

1 **Q. How does the Company respond to the Division’s Consultant’s statements regarding**  
2 **3VO cost responsibility on page 47 of the Report?**

3 A. On page 47 of the Report, Mr. Booth states:

4 My experience in many states shows that DER owners are  
5 responsible for the cost to alleviate operational impacts that  
6 their project may cause on the system. The Company follows  
7 this philosophy within its interconnection standards, . . .  
8 [h]owever, through this Strategic DER initiative in Rhode  
9 Island, the Company is accepting the responsibility and cost  
10 for 3VO where groups of DER projects may benefit.  
11

12 The Company’s proposed 3VO accelerated program does not propose to change the way  
13 in which costs for specific DER interconnection projects are assigned. The 3VO  
14 accelerated program, which the Company is proposing as part of its Strategic DER  
15 Advancement program in the FY 2021 ISR Plan proposes to expand the installation of  
16 protection schemes required to address the system issue happening at the present time as  
17 a result of the aggregate impact of many DER resources being added to the system in a  
18 manner that does not allow costs to be readily allocated to a specific DER interconnection  
19 project. The Company will continue to assign required system modification costs, such  
20 as 3VO, to DER interconnection projects if it is determined that they are specifically  
21 required due to that project.  
22

1 (6) Application of Docket 4600 Benefit-Cost Framework

2 **Q. How does the Company respond to the statements made by the Division's**  
3 **Consultant on pages 55-57 of the Report regarding application of Docket 4600**  
4 **Benefit Cost Framework (Framework)?**

5 A. The Framework was developed through a collaborative stakeholder process from the  
6 perspective of DER investments, and not with the traditional utility infrastructure  
7 investments in mind. As discussed on Bates Pages 19-28 of the Company's prefiled joint  
8 testimony, the Company attempted to apply the Framework to new or incremental  
9 projects and programs in the FY 2021 ISR Plan, one of which included the New  
10 Lafayette Substation, a non-DER, traditional utility infrastructure investment. For the  
11 first time, the Company also applied a quantitative methodology, but noted that this  
12 methodology had not been adopted for all utility investments, nor had it been subjected to  
13 a stakeholder process or PUC review. The Company also submits that the application of  
14 the Framework to traditional utility investments is not yet mature and more work is  
15 needed to understand how and to what extent the 34 categories in the Framework should  
16 be applied to the ISR. During discussions with the Division's Consultant on the  
17 application of the Framework to ISR capital investment, the parties agreed in principal  
18 that certain asset condition projects may not require a benefit cost analysis where asset  
19 condition is so deteriorated that it supersedes any quantifiable methodology. In addition,  
20 the Company submits for consideration whether major projects emanating from Area  
21 Studies should not require a separate benefit cost analysis because inherent in the area

1           planning study process is an evaluation of alternatives and relative costs and benefits.

2           See Section 2, System Planning, Bates Pages 45-47.

3

4           The Company is open to refining the Framework, as the Division’s Consultant suggests,

5           so that it can be applied to traditional, non-DER investments and/or assess whether the

6           Framework should apply to only certain investments such as new or incremental

7           programs in the ISR; however, such work should be done in collaboration with

8           stakeholder input and guidance from the PUC.

9

10   **V.    Conclusion**

11   **Q.    Does this conclude your rebuttal testimony?**

12   **A.    Yes.**