The Narragansett Electric Company

d/b/a National Grid (Interstate Reliability Project)

RIPUC Dkt. No. 4360

Rebuttal Testimony of

David J. Beron, P.E., P.M.P.

February 7, 2013

Q. Please state your full name and business address.

A. My name is David J. Beron. My business address is 40 Sylvan Road, Waltham, Massachusetts 02451.

Q. Have you previously filed testimony in this matter?

A. Yes, I filed prefiled testimony in this docket on November 21, 2012.

Q. Have you reviewed Mr. Booth's testimony on behalf of the Division?

A. Yes. I have reviewed Mr. Booth's testimony and note that he is in general agreement with our study grade estimates for the Interstate Reliability Project ("IRP"). However, I would like to respond to a number of points which he raises about the project.

Q. Please respond to Mr. Booth's assertion that the proposed schedule should reflect at least a 3 year duration to realistically represent the present market.

A. The overall Project Schedule as presented in Table 4-4 of the Environmental Report is a five-year schedule. The construction component of the schedule is slightly less than two years, beginning upon receipt of the final regulatory approval. The majority of the multiple regulatory filings were submitted in mid-2012 with receipt of the final approval expected in early 2014. Accordingly, only physical construction was included in the two year construction schedule; the permitting and licensing requirements referenced by Mr. Booth on Page 18, Line 1 of his testimony are actually shown in the Project Schedule as a separate 27-month effort preceding the start of construction.

In addition, material procurement will be initiated in February, 2013 with the issuance of a request for proposals (RFP) for tubular steel structures. An order is expected to be placed in April or May of 2013 with deliveries expected to be well along by the start of

construction in the first quarter of 2014. RFPs for conductor and hardware will follow in February or March of 2013, with deliveries again expected to be well along by the start of construction.

In recognition of the limited availability of construction resources, National Grid will begin the contractor pre-qualification process in March, 2013, approximately a year in advance of the proposed start of construction. We expect to issue an RFP for construction in the July, 2013 timeframe and to award construction contracts in the 3rd quarter of 2013, subject to receipt of required licenses and permits. This would allow the contractor to develop staging areas, engage subcontractors and begin receiving material prior to the start of construction in early 2014.

While it is true that facility outages need to be scheduled well in advance of required outages for construction, the majority of the Project will be built "in the clear" with no need for outages. Relatively short duration outages will be required for minor modification of existing facilities to accommodate Project construction, and for cut-overs of new Project components as they are completed.

In summary, National Grid's schedule does not appear to be significantly different from that recommended by Mr. Booth when one considers the fact that many of the long lead time activities about which Mr. Booth is concerned will be started early in 2013, almost 3 years in advance of expected project completion.

Q. Mr. Booth observes that there is an inconsistency in the expected accuracy of the estimates that are presented in National Grid's application and supporting documents. Can you clarify why National Grid presents two different levels of estimate, one having

an expected accuracy of +/- 25% and the other having an expected accuracy of -25%/+50% ?

A. Yes. The overall IRP options estimates that are contained in the ISO studies were developed by National Grid and Northeast Utilities as "Conceptual Grade" estimates with an expected accuracy of -25%/+50%, and were developed for the purposes of comparing the potential IRP solutions which were being evaluated by ISO and the Transmission Owners (Options A-1, A-2, A-3, A-4 and C-2.1). These Conceptual Grade estimates are presented in Section 7.3 of the ISO 2012 Solution Report (Appendix E). These estimates were developed using broad assumptions and without the benefit of any significant engineering information. The high end tolerance of these estimates was therefore increased to +50% to reflect uncertainties and additional scope that might be identified following the start of engineering.

Once the proposed solution had been identified as Option A-1, National Grid was able to develop a more refined estimate of the project as proposed. The cost estimate for the proposed project was able to rely upon a considerable amount of engineering and scope definition work that had been performed in connection with Option A-1. As such, National Grid was able to produce a Study Grade estimate with an expected accuracy of +/- 25% for the project as proposed. It is this Study Grade estimate that is presented in Volume 1 of the Environmental Report at Table 4-3.

Q. Does this conclude your testimony?

A. Yes, it does.