

September 10, 2021

VIA ELECTRONIC MAIL

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

**RE: Docket 4995 - Fiscal Year 2021 Electric Infrastructure, Safety, and Reliability Plan
Rebuttal Testimony**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the electronic version of the Company's rebuttal testimony of Patricia C. Easterly in response to the memorandum of Gregory L. Booth, dated September 7, 2021, on behalf of the Rhode Island Division of Public Utilities and Carriers in the above-referenced docket.²

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

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4995 Service List
Leo Wold, Esq.
John Bell, Division

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

² Per practice during the COVID-19 emergency period, the Company is providing a PDF version this report. The Company will provide the Commission Clerk with five (5) hard copies and, if needed, additional hard copies of this report upon request.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4995
RE: FY 2021 ELECTRIC INFRASTRUCTURE,
SAFETY, AND RELIABILITY RECONCILIATION FILING
REBUTTAL WITNESS: PATRICIA C. EASTERLY
SEPTEMBER 10, 2021**

REBUTTAL TESTIMONY

OF

PATRICIA C. EASTERLY

September 10, 2021

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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. (NGSC) as Director –New
8 England Operations and Regulatory Delivery. In my position, I am responsible for
9 regulatory compliance related to electric distribution and, in particular, for capital
10 expenditures for The Narragansett Electric Company d/b/a National Grid (the Company).

11
12 **Q. Have you previously submitted testimony in this proceeding?**

13 A. Yes, I previously submitted pre-filed direct testimony in this proceeding on July 30,
14 2021.

15
16 **II. Purpose of Rebuttal Testimony**

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

18 A. The purpose of my rebuttal testimony is to respond to the report (“Report”) of Gregory L.
19 Booth, President, Gregory L. Booth, PLLC (referred to as “Mr. Booth” or the “Division’s
20 Consultant”), which was filed in this proceeding on behalf of the Rhode Island Division
21 of Public Utilities and Carriers (Division) on September 7, 2021.

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

2 A. Section I comprises the Introduction and Qualifications of Company Witnesses Patricia
3 C. Easterly. Section II is the Purpose of Rebuttal of Testimony. Section III is the
4 Company's response to several observations and recommendations made by the
5 Division's Consultant. The Company's responses are broken up by the following topics:
6 (1) Variance Analysis; (2) Rhode Island Department of Transportation ("RIDOT")
7 Billings; and (3) Electric Infrastructure, Safety, And Reliability (ISR) Plan Report
8 Enhancements.

9
10 **III. Response to Report by the Division's Consultant**

11 (1) Variance Analysis

12 **Q. How do you respond to Mr. Booth's observation on page 1 of his Report, in which**
13 **he states, "[n]ew Business blanket and project work was \$1.8 million underbudget**
14 **for Residential and \$1.2 million underbudget for Commercial, with no specific**
15 **rationale provided."**

16 A. New Business work is by nature unpredictable and driven by customer requests. The
17 annual budget is established based on historical trending actual data as actual work
18 expected to be performed in this category is not known at the time the budget is
19 developed.

20

1 **Q. How do you respond to Mr. Booth’s recommendation on page 2 of his Report for**
2 **“enhanced variance analysis” of the Damage/Failure asset replacement work?**

3 A. As Mr. Booth notes in his Report, the Company adopted a new process of recording only
4 work related to failed assets in this spending category. During the FY 2020 ISR
5 reconciliation, the Company previewed its plan to implement a “fix on failure” asset
6 replacement strategy that would incorporate a narrower definition for what constitutes a
7 non-discretionary item. The Company began implementing these changes during the FY
8 2021 ISR Plan and is continuing to monitor those changes. Because of the
9 unpredictability of failure, it will be challenging, and of limited use, to perform a detailed
10 variance analysis in this category of spending; however, the Company is committed to
11 continuing to work with the Division during the FY 2022 ISR Plan to agree on a format
12 for enhancing reporting for damage failure.

13
14 **Q. On pages 2 and 4 of Mr. Booth’s Report, he suggests that the Company provide a**
15 **“projected total project cost versus budget” and a “clearer tracking of total costs”**
16 **for major multi-year projects as part of the reconciliation process. How do you**
17 **respond to these recommendations?**

18 A. The Company agreed to enhance its large project reporting beginning with the FY 2022
19 ISR Plan. To that end, the Company separately tracked capital spending for certain large
20 projects, specifically the Southeast Substation, the Dyer Street substation, and the
21 Providence Area Study projects. The Company reported on the total project cost forecast

1 versus budget for the FY 2022 ISR Plan and included this detail on page 4 and in
2 Attachment G of its FY 2022 quarterly report for first quarter ending June 30, 2021,
3 which the Company filed with the Public Utilities Commission (“PUC”) on August 16,
4 2021. The Company plans to use this new format going forward and to work with the
5 Division to ensure useful reporting is provided for projects that span multiple years.

6
7 **Q. On page 3 of Mr. Booth’s Report, he states that the Company did not “compare the**
8 **spend to budget or discuss justification within the reconciliation report” for the**
9 **work to address small scale feeder issues due to system load shifts attributed to**
10 **COVID-19 restrictions and stated that the reconciliation report should “include**
11 **detailed justification when unexpected projects are executed”. How do you respond**
12 **to these statements?**

13 A. The Company agrees with providing detailed justification in the reconciliation report as
14 appropriate when unexpected projects are executed. In the specific example noted in Mr.
15 Booth’s Report for FY 2021, the Company provided a comparison of the budget to spend
16 variance in the System Capacity & Performance category on page 11 of 13 of its FY 2021
17 reconciliation filing. One of the primary drivers of work listed in this category for FY
18 2021 was \$0.3 million on COVID-19 related work, which included small-scale solutions
19 such as fuse replacements, feeder balancing, and upgrading equipment, such as load
20 break switches and step-down transformers, to larger sizes. The Company did not budget
21 for this work as part of the FY 2021 ISR Plan, resulting in a variance of \$0.3 million.

1 The Company has a formal process for adding unexpected projects to the ISR Plan and
2 communicates with the Division when significant items arise, as was the case with this
3 item. With respect to the COVID-19 related work, the Company had numerous
4 discussions with the Division about this emerging item during FY 2021, beginning in
5 May 2020 and continuing with the discussion related to the FY 2022 ISR Plan. Those
6 discussions, combined with the detailed information justifying this work provided in its
7 responses to the Division's and PUC's data requests in the FY 2022 ISR Plan, Docket
8 No. 5098, meant the Company did not include that detail in the reconciliation filing. See
9 National Grid's responses to R-I-8 and R-I-9 submitted with the Company's FY 2022
10 ISR Plan filing on December 21, 2020 (Book 2 of 2) and National Grid's response to
11 Data Request PUC 1-2, filed February 5, 2021. Nonetheless, the Company is amenable
12 to providing similar justification information as appropriate for unexpected projects as
13 part of future reconciliation filings.

14
15 **Q. Please describe the rationale for why the Operations & Maintenance ("O&M")**
16 **category was significantly underbudget in FY 2021.**

17 A. As Mr. Booth notes on page 3 of his Report, this category was underbudget due to lower
18 Inspection & Maintenance capital work, which then drives lower O&M related work as
19 compared with the budget. The actual costs to perform inspections was \$465,000
20 compared to the budget of \$600,000. The primary driver of this \$135,000 variance was a
21 new vendor contract for contact voltage mobile testing that reduced costs by \$80,000.

1 **Q. How does the Company respond to Mr. Booth’s statements on p. 2 of this Report**
2 **regarding the increased lighting costs?**

3 A. Similar to New Business work, the budget for the outdoor lighting costs is based on
4 trending historical information as the actual work is not known at the time the budget is
5 developed. Street lights that are broken are required to be fixed when identified. The
6 Company proposes to work with the Division on a reporting process for this category of
7 work to include in future quarterly reports and/or reconciliation filings.

8

9 (2) RIDOT Billings

10 **Q. On page 1 of Mr. Booth’s Report he states, “a clearer explanation of the \$5.3 million**
11 **in RIDOT billings, and how those billings match to actual work performed in the**
12 **fiscal year, would be beneficial.” Is the Company able to provide that explanation?**

13 A. Yes. The Company incurred \$1.7 million of capital costs in FY 2021. A portion of the
14 \$5.3 million billed was for that work and the remaining amount was for work completed
15 in prior years. The Company has worked on its internal processes to minimize the timing
16 lag between when costs are incurred and when those costs are billed. The Company will
17 continue to work with the Division on clearer detail concerning this category of costs.

18

1 (3) ISR Plan Report Enhancements

2 **Q. How does the Company respond to Mr. Booth’s recommendations on p. 3 of his**
3 **Report that the Division and the Company discuss report enhancements, which**
4 **would include “submitting an ISR Plan spreadsheet indicating budget and actual**
5 **spend for each project with more detail on variance drivers for each category, and**
6 **expanding discussion when unplanned projects are executed.”**

7 A. The Company is agreeable to working with the Division on certain enhancements to its
8 ISR reporting and reconciliation fillings to include more detailed information regarding
9 budget to spend variances. The Company would like to note, however, that it already
10 engages in regular discussions with the Division throughout the course of the fiscal year
11 regarding significant developments and variances in the overall budget categories. For
12 example, with respect to unplanned projects, the Company provided the Division with
13 detailed information regarding COVID-19 related work discussed above as part of a
14 meeting between the Company and Division representatives on May 26, 2021.
15 Furthermore, the Company will propose options for project variances by category as part
16 of the regular discussions with the Division on the FY22 Plan.

17

18 **IV. Conclusion**

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

20 A. Yes.

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

September 10, 2021
Date

**Docket No. 4995 - National Grid's Electric ISR Plan FY 2021
Service List as of 9/25/2020**

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