

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ENERGY FACILITY SITING BOARD**

IN RE: THE NARRAGANSETT ELECTRIC :
COMPANY d/b/a NATIONAL GRID :
E-183 115 kV TRANSMISSION : **DOCKET NO. SB-2003-01**
LINE RELOCATION PROJECT :

ORDER

On October 29, 2004, the Energy Facility Siting Board (EFSB or Board) issued a Report and Order approving a Settlement Agreement entered into between the Narragansett Electric Company d/b/a National Grid (Narragansett),¹ Patrick C. Lynch, the Rhode Island Attorney General, and the Cities of Providence and East Providence regarding Narragansett's application for the relocation of approximately 6200 feet of the E-183 115 kV Transmission Line (E-183 Line) filed with the Board pursuant to R.I. Gen. Laws §§42-98-4, 42-98-8 and Rule 1.6 of the Board's Rules of Practice and Procedure (EFSB Rules). Specifically the proposed project involved the relocation of the E-183 Line from the west bank of the Providence River, across the Providence River, India Point and the Seekonk River to the east bank of the Seekonk River in East Providence. As part of the Settlement, the parties agreed to work together toward buying the line between the Franklin Square substation on the west bank of the Providence River and the east bank of the Seekonk River in East Providence if feasible. In furtherance of the burial, Narragansett agreed to prepare a design and construction grade estimate, the Attorney General agreed to obtain funding commitments for the additional cost of the underground alignment and the cities agreed to obtain and convey any property rights needed by Narragansett to construct the underground alignment.

¹ In 2000, National Grid acquired the assets of the New England Electric System (NEES) of which Narragansett Electric was a part.

The EFSB found that the statutory mandates to approve the proposed project were satisfied in that there was a need for the proposed facility, it was cost justified and complied with the applicable laws and regulations, it would not cause unacceptable harm to the environment and would enhance the socio-economic fabric of the state. The parties agreed that unless determined not feasible, the underground alternative would occur.

As the project stalled, representatives of the Board held a number of status conferences beginning in 2010 to determine the reasons for the lack of progress. Although sporadic communication between the parties occurred from that point until 2012, no resolution was reached and the full Board scheduled a status conference which was held on October 23, 2013. At that status conference, counsel for Narragansett committed to providing a report to the Board about whether Narragansett could use the interest earned on the portion of the funds that were customer refunds from Providence and East Providence ratepayers which the Narragansett held for the purpose of financing the relocation project, to pay for the construction grade estimate report which would include how the project will be funded and designed. On November 5, 2013, Narragansett's counsel filed his response answering the question of whether Narragansett could use the accrued interest to fund the construction grade estimate in the affirmative.

On December 17, 2013, the EFSB held a hearing at which time counsel for Narragansett reiterated that an order from the Board would be sufficient to support expending accrued interest on the retained refund amounts from its Providence and East Providence customers in order to proceed with the engineering and design of the underground relocation of the E-183 Line. None of the other parties objected to this use. After discussion, Board Member Janet L. Coit, Director of the Rhode Island Department of Environmental Management, made a motion to allow Narragansett to use the interest accrued on the customer refunds to perform the project estimate

upgrade by September 1, 2014 with appropriate milestones embedded. Further discussion defined those milestones as every forty-five days and extended the deadline to September 30, 2014. Additionally, Board Member Kevin M. Flynn, Associate Director, Division of Statewide Planning, noted that if the cost of the estimate upgrade exceeded one million dollars, Narragansett should so notify the EFSB. The motion with modifications was seconded and approved unanimously. A motion to require regular status updates in writing every forty-five days was seconded and passed unanimously. Additionally, the cities of Providence and East Providence agreed to provide the Board with memoranda regarding additional milestones as well as addressing any outstanding issues regarding acquisition of the property rights associated with the proposed route.

Therefore, it is:

(70) ORDERED:

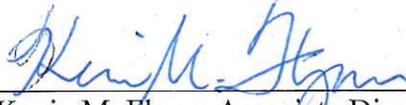
1. Narragansett is authorized to use one million dollars of interest accrued on the retained refund amounts from Providence and East Providence ratepayers for the purpose of conducting the engineering and design of the underground relocation of the E-183 Line.
2. In the event that Narragansett must exceed the one million dollar cost to complete the engineering and design, it shall immediately notify the EFSB that it will exceed the cost and provide a detailed explanation of why and by how much the cost will be exceeded.
3. Narragansett shall provide to the EFSB written status reports every forty-five days, the first one of which shall be due on January 30, 2014.

DATED AND EFFECTIVE at Warwick, Rhode Island on December 17, 2013 pursuant to an open meeting decision of December 17, 2013.

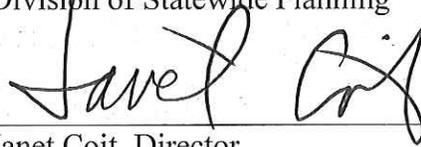
ENERGY FACILITY SITING BOARD



Margaret E. Curran, Esq., Chairperson
Energy Facility Siting Board



Kevin M. Flynn, Associate Director
Division of Statewide Planning



Janet Coit, Director
RI Department of Environmental Management

