

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ENERGY FACILITY SITING BOARD

IN RE: The Narragansett Electric Company Notice of
Intent to Relocate Transmission Lines in Providence
and East Providence (E-183 115kV Transmission Line
Relocation Project – A/C I-195 Relocation)

Docket No. SB-2003-01

STATUS MEMORANDUM SUBMITTED
BY THE CITY OF EAST PROVIDENCE

Submitted by:
City of East Providence
By their Attorney,

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Dated: October 21, 2013

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
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The City of East Providence (“East Providence”) submits this Memorandum setting forth the background, chronology, and status of this matter in order to assist the Rhode Island Energy Facility Siting Board (the "Board") in conducting the status hearing scheduled for October 23, 2013.

In accord therewith, East Providence states as follows:

1. In or about May of 2004, East Providence, the Narragansett Electric Co. doing business as National Grid (“Narragansett”), the City of Providence (“Providence”) and the Rhode Island Attorney General’s Office (“Attorney General”) entered into a Settlement Agreement which is attached hereto as Exhibit A.
2. The Settlement Agreement was entered into in order to relocate approximately 6,200 feet of Narragansett’s existing E-183, 115 kV Transmission Line (the “E-183 Line”) from the Franklin Square Substation in Providence, across the Providence River, Fox Point, India Point, and the Seekonk River to the Bold Point area of East Providence, and to relocate the existing Philipsdale Tap Line in East Providence. A diagram of Narragansett’s original, proposed route is attached hereto as Exhibit B. A diagram of the alternate route and the relocated Philipsdale Tap line as required by the Settlement Agreement is attached hereto as Exhibit C.

3. From East Providence's perspective, the relocations were critical to advance development of the East Providence Waterfront District ("Waterfront District"), which was an economic development project deemed to be of critical importance to the State of Rhode Island.

4. The background leading up to the Settlement Agreement is important to understand. In the mid-1990s, Narragansett was asked by the Rhode Island Department of Transportation ("RIDOT") to relocate a portion of the E-183 Line to accommodate RIDOT's plans to relocate Interstate 195 through Providence (the "I-195 Relocation").

5. During hearings in this underlying matter, RIDOT was examined on the history of its efforts to obtain community input. It became clear through that examination that RIDOT did not and refused to consider utilizing the I-195 "I-way" as a means to relocate the E-183 Line by utilizing the proposed bridge structures to carry transmission lines across the rivers.

6. In any event, in or about April of 2003, Narragansett filed a Notice of Intent Application with this Board seeking approval for the relocation of the existing E-183 Line. Furthermore and of some importance to the status of this matter, Narragansett also determined that the Providence and Seekonk River crossings needed to be replaced because of the age, condition and configuration of the transmission structures at the river crossings which still exist to this day.

7. In any event, Narragansett sought to pursue an abbreviated process for line relocations and sought approval for an overhead relocation of the E-183 Line, including the reconstruction of the Providence and Seekonk River crossings.

8. The first hearing on Narragansett's Application was held in early June of 2003. There was strong opposition from East Providence and other parties in interest.

9. Subsequently, in late of October of 2003, this Board issued an Order approving a stipulation among the parties modifying the procedure for the case to obtain input in the form of “Advisory Opinions” from various state agencies including the Rhode Island Department of Environmental Management, Rhode Island Department of Health, Rhode Island Division of Statewide Planning, Rhode Island Public Utilities Commission and from the Planning Boards of the City of Providence and the City of East Providence.

10. After the Advisory Opinion process was completed, final hearings were to commence before this Board. However, before final hearings commenced, the parties executed the Settlement Agreement in or about May of 2004. The Settlement Agreement is attached hereto for the convenience of the Board as Exhibit A.

11. The Settlement Agreement was then presented to this Board for approval.

12. On October 29, 2004, this Board approved the Settlement Agreement. The Settlement Agreement called for two (2) phases of work. Phase I of the project consisted of a temporary overhead relocation of a portion of the E-183 Line between the east bank of the Providence River and a point located southeasterly of the existing Radisson Hotel, which is near the west bank of the Seekonk River, so as to accommodate RIDOT’s schedule for the I-195 Relocation. Phase I was completed in 2006.

13. Phase II of the Settlement Agreement called for the reconstruction of the E-183 Line in an underground configuration between the Franklin Square Substation and a new transition station in East Providence. Phase II would also include the removal of Phase I **and the relocation of the Philipsdale Tap Line in East Providence.** Exhibit D shows the conceptual re-alignment of the Philipsdale Tap which clearly depicts the waterfront area being opened to re-development. Furthermore, the underground alignment would open considerable area to re-

development along East Providence's Waterfront District, as the existing utility easements would be deeded to East Providence. In fact, the Settlement Agreement was supposed to assist with the development of the "Tockwotten Home". However, Tockwotten had to long-ago, revise their plans and move forward.

14. With regard to funding, the potential sources were as follows:
 - a. In 2004, the Rhode Island Energy Facility Siting Act, R.I. Gen. Laws §42-98-1 *et seq.* (the "Siting Act") was amended to allocate \$2M from the Storm Fund and apportion the rate credits due to Narragansett customers in Providence and East Providence (approximately \$5.8M, plus interest) to the underground project;
 - b. In 2004, Narragansett's parent prepared and filed an application to ISO-NE seeking to include a portion of the cost of the underground alignment and regional rates since the E-183 Line meets certain criteria. This petition was ultimately approved by ISO-NE in 2006, allocating \$1.5M to the underground project;
 - c. \$5.2M RIDOT funds (exclusive of \$1.2M state matching funds, \$600K federal transportation enhancement funds, and \$2.5M grant pursuant to the "Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005"); and
 - d. \$375K Rhode Island Department of Environmental Management Greenway Grant.¹

¹ The current status of funding needs to be confirmed.

15. During 2006-2007, speaking only for the City of East Providence, it was a frustrating process in which the parties had great difficulty in trying to discuss and receive reliable cost estimates from Narragansett with regard to the underground configuration and transition site locations. Reliable estimates were required to determine adequacy of funding.

16. In 2008, the Siting Act was again amended to provide that the incremental cost of the project, over and above available funding, would be paid by Providence and East Providence ratepayers.

17. With that legislation in place, the parties met at the end of 2008 to try and compel Narragansett to issue a binding project schedule.

18. As a result of that meeting, Narragansett committed to get a “Project Report” out to the parties as soon as possible.

19. On January 16, 2009, Narragansett issued a project outline which listed the following “steps forward”:

- IV. Steps forward — Engineering and Permitting
 - A. Perform utility research and engineering necessary to update estimate
 - B. Prepare construction grade estimate
 - C. Review and approval of estimate by Parties
 - D. Commence detailed engineering
 - E. Commence permitting (EFSB, DEM, CRMC, ACOE; municipalities)
- V. Steps forward — Implementation
 - A. Acquire drilling landing site in Providence
 - B. Acquire other easements and rights —
 - 1. Providence including underground easement (India Point Park)
 - 2. East Providence including landing site (park)
 - 3. Tockwotten including transition station site and transmission line easements
 - C. Solicit material and installation bids for project
 - D. Review project construction estimate based on bid results
 - E. Obtain Providence and East Providence Council and mayors’ approvals to proceed
 - F. Construct underground line
 - G. Remove overhead line and structures

20. Upon receiving the so-called Project Report, East Providence requested a meeting of the parties to try and determine whether steps could be taken in parallel to expedite the process as it was critical to East Providence, and most likely the City of Providence as the other host community, that construction grade estimates and the commencement of detailed engineering and permitting be expedited to allow the Cities to make informed decisions moving forward.

21. The parties met on February 6, 2009, and Narragansett was not able to offer any information or suggestions to expedite the process.

22. The balance of 2009, was consumed by seeking information from Narragansett regarding the path of directional drilling through the City of Providence, so that the City of Providence could determine what, if any, land needed to be acquired. The City of Providence repeatedly asked for follow up meetings with Narragansett's drilling subcontractor and consultants to get those questions answered. Unfortunately, those questions were not answered and the necessary condemnation procedures with the City of Providence were delayed until 2010.

23. On February 12, 2010, without any progress being made on a binding project schedule, East Providence filed an Assented to Motion for a Hearing on Status before this Board. The Assented to Motion for a Hearing on Status is attached hereto as Exhibit E.

24. At that point, this Board's staff, Patricia Lucarelli and Nicholas Ucci, spent a considerable amount of time assisting the parties in addressing outstanding issues.

25. On April 22, 2010, Ms. Lucarelli and Mr. Ucci hosted a workshop in which the parties tried to address various issues. From East Providence's perspective, one of most important items was to move forward on the relocation of the Philipsdale Tap Line, so that East

Providence could secure some of the economic benefit from the Settlement Agreement. Quite simply, a great deal of economic benefit had been lost by the mere passage of time.

26. As a result of that workshop, Narragansett agreed to move forward on the Philipsdale Tap Relocation and Narragansett agreed to work on providing East Providence and Providence with an updated construction study grade estimate taking into account changes in material costs and other factors. *See* E-mail dated April 26, 2010 from Mr. Ucci to All Parties attached hereto as Exhibit F.

27. Immediately after receiving that e-mail, East Providence asked to meet with Narragansett to follow-up on the relocation of the Philipsdale Tap. **Those requests began in June of 2010.**

28. The parties then had a follow-up workshop conference with Ms. Lucarelli and Mr. Ucci on June 9, 2010.

29. There was another conference with Ms. Lucarelli and Mr. Ucci on July 14, 2010. Throughout that time, East Providence continually asked for meetings with Narragansett to resolve the Philipsdale Tap issue and to get a binding project schedule.

30. East Providence's requests to meet with Narragansett to resolve various issues continued right up through early December, 2010 without any response.

31. Finally, on December 10, 2010, without any response or any meeting, Narragansett sent correspondence to East Providence making it absolutely clear that Narragansett was not going to relocate the Philipsdale Tap. *See* Correspondence dated December 10, 2010 attached hereto as Exhibit G. This, in itself, is very telling, because the Settlement Agreement clearly provides for the relocation of the Philipsdale Tap Line.

32. This Board's staff, Ms. Lucarelli and Mr. Ucci continued to dedicate their time to assisting the parties. There was a further workshop with those individuals on March 4, 2011. At that workshop, Narragansett indicated that they would have to have a Cooperative Funding Agreement to move forward with the project. East Providence was willing, in good faith, to negotiate a Cooperative Funding Agreement, but needed to address the Philipsdale Tap issue, the purchase of the real estate for the transition station in East Providence which is owned by a private party, and the ability for East Providence to be reimbursed its legal fees (just like Narragansett was seeking in its first draft of the Cooperative Funding Agreement).

33. On March 7, 2011, the staff of this Board sent out an e-mail listing action items. *See* E-mail dated March 7, 2011 attached hereto as Exhibit H.

34. In response, Narragansett sent an e-mail back on March 11, 2011, in which Narragansett made it absolutely clear that they were not going to relocate the Philipsdale Tap. Furthermore, instead of an updated project schedule and cost estimate, Narragansett resent dated information from **2009**. This is a clear breach of the Settlement Agreement.

35. Nevertheless, the Cities continued to attempt to negotiate a Cooperative Funding Agreement in good faith. These efforts continued up and until April of 2012.

36. In April of 2012, East Providence received an e-mail from Narragansett stating that Narragansett would provide a proposal to resolve East Providence's issues and move forward. **East Providence has not heard from Narragansett since receiving that e-mail.**

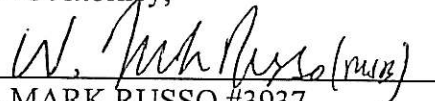
37. East Providence's position remains consistent:

- a. East Providence requires the realignment of the Philipsdale Tap Line to be accomplished out of sequence, so that there could be economic benefit to the

Waterfront District despite the unreasonable delays that have taken place over at least a decade.

- b. East Providence's position is specifically supported by Section II(C) of the Settlement Agreement which clearly states that East Providence and Narragansett Electric would work together to relocate portions of the existing Philipsdale Tap Line to again benefit development with the Waterfront District.
- c. East Providence requires the project to purchase the privately-owned site for the East Providence transfer station. This purchase must occur now. It is completely unfair to string out East Providence and a private land-owner any further.
- d. East Providence requires that project funds pay for East Providence's professional costs and expenses, just as Narragansett requires.
- e. East Providence wants a hearing before the Board to establish an **expedited and binding** project schedule – both of which can then be monitored and enforced by this Board, so that this project does not remain incomplete in another 10 years from now.

City of East Providence
By its Attorney,


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Tel: (401) 455-1000
Fax: (401) 455-7778

Dated: October 21, 2013

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the within was sent via e-mail and via first-class mail to the following referenced on the attached service list on this 21st day of October, 2013.



Wendy Smith

DOCKET NO. SB-2003-1

**Relocation of Transmission Lines in Providence and East Providence
(E-183 115kV Transmission Line Relocation Project – A/C I-195 Relocation)**

Service List as of 9/18/13

| Name/Address | E-mail | Phone/FAX |
|---|--|---|
| Peter V. Lacouture, Esq. Robinson & Cole LLP One Financial Plaza Suite 1430 Providence, RI 02903-2485 | placouture@rc.com | 401-709-3314 401-709-3399 |
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| National Grid | celia.obrien@nationalgrid.com | |
| Department of Attorney General 150 South Main Street Providence, RI 02903 | LWold@riag.ri.gov | 401-222-2424 ext. 2218 401-222-3016 |
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| Division of Public Utilities & Carriers | Thomas.kogut@ripuc.state.ri.us | |
| | Steve.scialabba@ripuc.state.ri.us | |
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| | Rayna.maguire@dem.ri.gov | |
| Kevin Flynn, Associate Director for Division of Planning Department of Administration One Capitol Hill, 3 rd Floor Providence, RI 02903 | kevin.flynn@doa.ri.gov | 401-222-6496 |
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| | | |
|---|--|------------------------------|
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| File an original and 7 copies w/: Nicholas Ucci, Coordinator Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888 | nicholas.ucci@puc.ri.gov | 401-780-2106 |
| | Margaret.curran@puc.ri.gov | |
| | patricia.lucarelli@puc.ri.gov | |
| | | |

Exhibit A

SETTLEMENT AGREEMENT

THE NARRAGANSETT ELECTRIC COMPANY E-183 TRANSMISSION LINE PROJECT

This Settlement Agreement is entered into on the 25th day of May, 2004, by and among The Narragansett Electric Company ("Narragansett"), the City of East Providence ("East Providence") and the City of Providence ("Providence") (East Providence and Providence collectively referred to as "the Cities"), and the Rhode Island Attorney General, Patrick C. Lynch ("Attorney General"), collectively referred to as the "Parties," under the following circumstances:

- i. In April, 2003, Narragansett filed an application with the Energy Facility Siting Board ("EFSB") seeking approval under EFSB Rule 1.6(f) for the relocation of approximately 6,200 feet of Narragansett's existing E-183 115 kV transmission line (the "E-183 Line") from the Franklin Square Substation in Providence, across the Providence River, Fox Point, India Point and the Seekonk River to the Bold Point area of East Providence;
- ii. The E-183 Line connects the Franklin Square Substation with the Brayton Point Power Station in Somerset, Massachusetts, a distance of 16.2 miles; only the westernmost 6,200 feet is being relocated;
- iii. The relocation of 3,200 feet of the E-183 Line is necessary so that the Rhode Island Department of Transportation ("RIDOT") can complete its I-195 Relocation Project;
- iv. Narragansett proposed an overhead relocation alignment which included the reconstruction of the crossings of the Providence and Seekonk Rivers (the "Original Alignment") in its application to the EFSB. The Original Alignment is shown on the plan of alternatives that is attached hereto ("Alternatives Plan");
- v. The Cities and the Attorney General objected to the Original Alignment, on the grounds, among others, (1) that the Original Alignment would prevent the future development of certain parcels of waterfront property in East Providence, (2) that it would interfere with the use of India Point Park in Providence and (3) that the lowering of the height of the crossing of the Seekonk River would interfere with navigation on the River;
- vi. The Parties have developed several alternatives to the Original Alignment as described below;
- vii. Narragansett is willing to construct the Underground Alignment if the Attorney General and the other Parties are able to provide funding of the full incremental cost of this alternative and secure a route that is acceptable to the Parties;
- viii. If the Underground Alignment is determined not to be feasible, the Bridge Alignment North is preferred by all Parties and has been determined by Narragansett to be feasible from an engineering and technical perspective;

ix. The Rhode Island Economic Development Corporation ("EDC") and RIDOT support this Settlement Agreement as evidenced by the letters from EDC and RIDOT which are attached hereto; and

x. Subject to the terms and conditions set forth below, Narragansett is willing to relocate the E-183 Line using one of the alternative alignments.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

I. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings indicated.

1. "Phillipsdale Tap Point" is the existing Structure No. 203 at the junction of the E-183 Line and the Phillipsdale Tap line, adjacent to Veterans Memorial Parkway in East Providence and shown on the Alternatives Plan.

2. "New Phillipsdale Tap Point" is the point at which an alignment for Phase II (defined below) other than the Original Alignment, intersects the Phillipsdale Tap line.

3. "Phase I" shall mean the overhead relocation of that portion of the E-183 Line between the east bank of the Providence River and the vicinity of proposed Pole No. 7, located southeast of the Radisson Hotel and shown on the Alternatives Plan.

4. "Phase II" shall mean (i) the reconstruction of the E-183 Line from Franklin Square to the east bank of the Providence River and (ii) the relocation of the portion of the E-183 Line between the vicinity of Proposed Structure No. 7 and the Phillipsdale Tap Point. In all alternatives other than the Original Alignment, Phase II shall include the establishment of the New Phillipsdale Tap Point and reconstruction of the Phillipsdale Tap line from such New Phillipsdale Tap Point south to the existing Phillipsdale Tap Point.

5. "Underground Alignment" shall mean the underground relocation of the portion of the E-183 Line between Franklin Square Substation and a new transition station in East Providence, an overhead connection from the new transition station to the Phillipsdale Tap Point or a New Phillipsdale Tap Point, and the rebuilding and reconductoring of the Phillipsdale Tap Line from the New Phillipsdale Tap Point, if any, south to the Phillipsdale Tap Point. The actual route of the Underground Alignment shall be determined as specified in Paragraph II-D.

6. "Bridge Alignment North" means a route from Structure 7 traversing north between Gano Street and the Brown Boathouse on the Providence side of the Seekonk River to a structure north of I-195, and then spanning across I-195 near the west end of the Washington Bridge. The line would then span across the Seekonk River, adjacent to and on the north side of the Washington Bridge, making landfall in East Providence at a structure which would be located in the southwest corner of the parcel presently occupied by Guild Drilling. The line would then proceed in an easterly direction across the railroad, intersecting with the existing Phillipsdale Tap Line at a New Phillipsdale Tap Point. The Phillipsdale Tap Line would then be

reconducted and rebuilt back to the existing junction structure located atop the hill adjacent to Veterans Memorial Parkway.

7. "Bridge Alignment South" means a route from Structure 7 traversing north between Gano Street and the Brown Boathouse on the Providence side of the Seekonk River to a structure south of I-195. The line would then span across the Seekonk River, adjacent to and south of the Washington Bridge, making landfall in East Providence at a structure which would be located in the southwest corner of the parcel presently occupied by MTTI. The line would then proceed in an east-southeast direction across the railroad to a New Phillipsdale Tap Point to be located in the Phillipsdale Tap Line, east of the railroad and south of the Warren Avenue extension. The Phillipsdale Tap Line would then be reconducted and rebuilt back to the existing Phillipsdale Tap Point. This alternative alignment is identified as the "Northern Alignment" on Attachment DJB-5 to Mr. Beron's March 31, 2004 Prefiled Testimony to the Energy Facility Siting Board.

8. "Tockwotten Alignment" means a route from Structure 7 to a new structure to be located adjacent to existing Tower #205 on the west bank of the Seekonk River. From this point, the line would proceed in a south-easterly direction across the Seekonk River, making landfall in East Providence at a New Phillipsdale Tap Point to be located in the Phillipsdale Tap Line. The Phillipsdale Tap Line would then be reconducted and rebuilt back to the existing Phillipsdale Tap Point.

9. The Bridge Alignment North, Bridge Alignment South and Tockwotten Alignment are all shown on the Alternatives Plan.

II. PHASING AND ALIGNMENTS

A. In order to accommodate the RIDOT I-195 Relocation Project, Narragansett shall complete the relocation of the E-183 Line in two phases.

B. During 2005, Narragansett shall construct Phase I of the E-183 Line relocation, and shall connect Phase I with the existing E-183 Line (i) at the Providence River crossing and (ii) in the vicinity of Pole Nos. 206 and 205, with such modifications to such structure(s) as it deems necessary.

C. East Providence and Narragansett shall consult as to any relocations which East Providence desires in the existing Phillipsdale Tap line. East Providence shall advise Narragansett on or before June 30, 2004 as to the portions it wishes Narragansett to relocate. Narragansett shall relocate such portions of the Phillipsdale Tap Line from the New Phillipsdale Tap Point to the Phillipsdale Tap Point as (i) are feasible, (ii) for which East Providence has provided exclusive perpetual easements for the new locations in form and substance satisfactory to Narragansett (including, but not limited to, satisfactory title and environmental review), as well as all required municipal permits and approvals in form and content satisfactory to Narragansett and (iii) for which funding arrangements have been made, as provided in this Agreement.

D. Underground Alignment.

1. Narragansett shall consult with the Parties prior to determining a route for the Underground Alignment. In making such determination, Narragansett shall consider the following factors: (i) the ability and willingness of Providence, East Providence and RIDOT to provide all rights necessary for Narragansett to construct and operate the Underground Alignment from Franklin Square to the Phillipsdale Tap Point including fee ownership of an acceptable site satisfactory to Narragansett (including, but not limited to, satisfactory title, environmental and engineering review) for the East Providence transition station and directional drilling sites and exclusive perpetual easements for the underground cable route and the route of the overhead connection from the East Providence transition station to the New Phillipsdale Tap Point, (ii) the length and constructability of the potential routes, (iii) environmental, title, licensing, permitting and operational issues related to the proposed route and transition station site, and (iv) such other factors as Narragansett deems appropriate. Narragansett shall finalize a route for the Underground Alignment on or before September 15, 2004. The parties shall consent to the final route for the Underground Alignment.

2. On or before November 15, 2004, Narragansett shall provide to the Parties a design, construction grade estimate of the direct and indirect costs and expenses for construction of the Underground Alignment (which shall include the cost of constructing and removal of Phase I) and required easement widths for the Underground Alignment, including proposed structure locations for the reconstruction and/or relocation of the Phillipsdale Tap line from the New Phillipsdale Tap Point to the Phillipsdale Tap Point.

3. On or before November 30, 2004, Narragansett shall consult with East Providence, Providence and RIDOT and determine what property, easements and other property rights located in the jurisdiction of each of the Cities, whether owned by any public entity or private party, Narragansett will require for the construction, operation and maintenance of the E-183 Line using the Underground Alignment (which shall include, without limitation, additional easement width on the Phillipsdale Tap Line, if required, and easements for the river crossings.)

4. On or before January 15, 2005, the Attorney General shall provide evidence of commitments for sources of funding for the estimated cost of the Underground Alignment, including the use of RIDOT funds, and funding from the Rhode Island Economic Development Corporation, East Providence, Providence and other sources. Such funding shall either be disbursed to Narragansett or otherwise committed and guaranteed, in a manner satisfactory to Narragansett, for the construction of the Underground Alignment.

5. On or before March 1, 2005, the Parties and RIDOT shall provide to Narragansett binding commitments, in form and content satisfactory to Narragansett, for the acquisition (if necessary) and conveyance to Narragansett of all such easements, fee title and other property rights as have been determined by Narragansett to be necessary.

6. On or before June 1, 2005, the Parties and RIDOT shall obtain and convey to Narragansett, at no cost to Narragansett, good, clear record and marketable title to the transition station site and to such easements, and other property rights as have been determined by Narragansett to be necessary. All easements shall be exclusive, perpetual easements for the full width specified by Narragansett, shall contain Narragansett's standard terms and conditions

for transmission line easements including, but not limited to, the right of Narragansett to prohibit construction or maintenance of any building or other structure or vegetation on, or any change in grade of, the easement area. The deed for the transition station, the grants of easement and the property interests transferred thereby shall in all respects be in form and substance satisfactory to Narragansett (including but not limited to satisfactory title and environmental review.) The easements within the East Providence Waterfront Development District shall allow, subject to Narragansett's consent not to be unreasonably withheld and subject to such reasonable conditions as it may require, the easement area to be paved or surfaced for parking and circulation, or to be landscaped as appropriate buffer or transition space.

7. Narragansett shall seek any necessary permits and regulatory approvals, including those to be issued by the Army Corps of Engineers and the Rhode Island Coastal Resources Management Council, for the construction of the Underground Alignment.

8. Upon the issuance of all necessary permits and regulatory approvals, upon the performance by the Parties of the conditions set forth in paragraphs 3-6 above with respect to easements and other property rights and funding, and upon proof that the requisite actions of the Cities have been to the extent necessary approved or ratified by the appropriate City Council or other lawful authority, Narragansett shall complete its final design for, and then shall construct, the Underground Alignment.

E. Phase II -- Bridge Alignment North.

1. In the event that (i) any of the conditions set forth in paragraphs D(3) – D(8), supra, is not satisfied, or (ii) any necessary permit or regulatory approval cannot be obtained, or (iii) the Parties mutually agree for any other reason that the construction of the Underground Alignment is too costly or is not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett and the other Parties shall perform the following actions and conditions, subject to the schedule provided in the stipulation or approved by the EFSB pursuant to paragraph II-J.

2. Narragansett shall provide to the Parties a design, construction grade estimate of the direct and indirect costs and expenses for construction of the Underground Alignment, proposed structure locations and required easement widths for the Bridge Alignment North, including the reconstruction and/or relocation of the Phillipsdale Tap line from the New Phillipsdale Tap Point to the Phillipsdale Tap Point.

3. Narragansett shall consult with East Providence and Providence and determine what easements and other property rights located in the jurisdiction of each of the Cities, whether owned by any public entity or private party, Narragansett will require for the construction, operation and maintenance of the E-183 Line using the Bridge Alignment North (which shall include, without limitation, the following: additional easement width on the Phillipsdale Tap Line, if required, and an easement for the Seekonk River crossing.)

4. The Parties shall consult and agree on the sources of funding for the estimated incremental cost of Bridge Alignment North in excess of the estimated cost of Phase II of the Original Alignment, including the use of RIDOT enhancement funds, and funding from

the Rhode Island Economic Development Corporation, East Providence, Providence and other sources. Such incremental funding shall either be disbursed to Narragansett or otherwise committed and guaranteed, in a manner satisfactory to Narragansett, for the construction of the Bridge Alignment North.

5. Providence and East Providence shall provide to Narragansett binding commitments, in form and content satisfactory to Narragansett, for the acquisition (if necessary) and conveyance to Narragansett of all such easements and other property rights as have been determined by Narragansett to be needed.

6. Providence and East Providence shall obtain and convey to Narragansett, at no cost to Narragansett, good, clear record and marketable title to such easements and other property rights as have been found necessary. All easements shall be exclusive, perpetual easements for the full width specified by Narragansett, shall contain Narragansett's standard terms and conditions for transmission line easements including, but not limited to the right of Narragansett to prohibit construction or maintenance of any building or other structure or vegetation on, or any change in grade of, the easement area. The grants of easement and the property interests transferred thereby and shall in all respects be in form and substance satisfactory to Narragansett (including but not limited to satisfactory title and environmental review.) The easements within the East Providence Waterfront Development District shall allow, subject to Narragansett's consent not to be unreasonably withheld and subject to such reasonable conditions as it may require, the easement area to be paved or surfaced for parking and circulation, or to be landscaped as appropriate buffer or transition space.

7. Narragansett shall seek any necessary permits and regulatory approvals, including those to be issued by the Army Corps of Engineers and the Rhode Island Coastal Resources Management Council, for the construction of the Bridge Alignment North.

8. Upon the issuance of all necessary permits and regulatory approvals, upon the performance by the Parties of the conditions set forth in paragraphs 3-6 above with respect to easements and other property rights and funding, and upon proof that the requisite actions of the Cities have been to the extent necessary approved or ratified by the appropriate City Council or other lawful authority, Narragansett shall complete its final design for, and then shall construct, the Bridge Alignment North.

F. Phase II-- Bridge Alignment South. In the event that (i) any of the conditions set forth in paragraphs E(3) – E(8), supra, is not satisfied, or (ii) any necessary permit or regulatory approval cannot be obtained, or (iii) the Parties mutually agree for any other reason that the construction of the Bridge Alignment North is too costly or is not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett and the other Parties shall perform, with respect to the Bridge Alignment South, the actions and conditions set forth in paragraphs E(1) through E(8) supra, subject to the schedule provided in the stipulation or approved by the EFSB pursuant to paragraph II-J.

G. Phase II -- Tockwotten Alignment. In the event that with respect to the Bridge Alignment North and the Bridge Alignment South, (i) any of the conditions set forth in paragraphs E(3) – E(8), supra, is not satisfied, or (ii) any necessary permit cannot be obtained, or

(iii) the Parties mutually agree for any other reason that the construction of such alignments are too costly or are not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett and the other Parties shall perform, with respect to the Tockwotten Alignment, the actions and conditions set forth in paragraphs E(1) through E(8) supra, subject to the schedule provided in the stipulation or approved by the EFSB pursuant to paragraph II-J.

H. Accounting.

1. Phase I. Narragansett shall maintain and make available for review by the Parties project-specific cost records for Phase I.

2. Underground Alignment

(a) Following the completion of the E-183 Line relocation using the Underground Alignment, Narragansett shall provide to those Parties that provided or committed to provide funding for the Underground Alignment, an accounting of the moneys actually expended in design and construction of the Underground Alignment, including the cost of constructing and removal of Phase I.

(b) In the event that the funding provided should exceed the cost of the Underground Alignment, Narragansett shall, within forty-five (45) days of such accounting, remit a refund, calculated on a *pro rata* basis or such other basis as the Parties may agree to, to those Parties that provided such funding. In case the funding provided is less than such cost, Narragansett shall, within forty-five (45) days of such accounting, submit to each of the Parties that undertook to pay the cost a bill for its *pro rata* share of the cost in excess of the funds provided, such bill(s) due and payable to Narragansett within 30 days of its issuance.

3. Other Alignments

(a) Following the completion of Phase II of the E-183 Line relocation using the Bridge Alignment North, Bridge Alignment South, or the Tockwotten Alignment, Narragansett shall provide to those Parties that provided or committed to provide incremental funding for the adopted alignment, an accounting of the moneys actually expended in Phase II design and construction, including a calculation of the actual incremental cost of such construction in excess of the estimated cost of the Original Alignment.

(b) In the event that the funding provided should exceed the incremental cost of the chosen alignment in comparison to the Original Alignment, Narragansett shall, within forty-five (45) days of such accounting, remit a refund, calculated on a *pro rata* basis, to those Parties that provided such incremental funding. In case the funding provided is less than such incremental cost, Narragansett shall, within forty-five (45) days of such accounting, submit to each of the Parties that undertook to pay the incremental cost a bill for its *pro rata* share of the cost in excess of the funds provided, such bill(s) due and payable to Narragansett within 30 days of its issuance.

4. In the event of any dispute among the Parties as to the cost of the Underground Alignment or the incremental cost of Phase II, the matter shall be resolved using the dispute resolution procedures attached hereto.

I. Phase II -- Original Alignment.

In the event that with respect to the Bridge Alignment North, the Bridge Alignment South and the Tockwotten Alignment, (i) any of the conditions set forth in paragraphs E(3) – E(8), supra, is not satisfied, or (ii) any necessary permit or regulatory approval cannot be obtained, (iii) all such permits and approvals for one of such alignments or the Underground Alignment have not been received by January 1, 2007, or (iv) the Parties mutually agree for any other reason that the construction of such alignments are too costly or are not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett shall construct Phase II of the E-183 relocation using the Original Alignment, subject to approval of the EFSB pursuant to paragraph II-J.

J. Report to EFSB. In the event that Narragansett determines that construction of any of the Underground Alignment, Bridge Alignment North, Bridge Alignment South or Tockwotten Alignment is not feasible, before proceeding to any alternative alignment (e.g., from Underground Alignment to Bridge Alignment North or Bridge Alignment North to Bridge Alignment South), Narragansett shall file with the EFSB (i) a stipulation signed by all parties hereto consenting to the alternate alignment and providing a new schedule for the actions in paragraphs E(1) – E(8) with respect to such alignment, or (ii) a report (the “Report”) presenting in detail the justifications for pursuing the alternative alignment and proposing a new schedule. Within twenty (20) days of filing of the Report, any Party may file an objection and within ten (10) days thereafter, Narragansett may respond to the objection(s). Thereafter, the EFSB shall conduct a hearing to resolve such issues and/or disputes and approve, modify or reject the Report.

III. OTHER MATTERS.

A. The Cities and the Attorney General shall not contest, before the EFSB (other than proceedings pursuant to II-J above) or any other agency or government authority whose approval of the E-183 relocation may be required, Narragansett’s relocation of the E-183 Line pursuant to the terms of this Settlement Agreement, including without limitation the several alternative alignments, subject to the priority among them and the conditions for the adoption of each.

B. Narragansett and the other Parties shall cooperate and will use their best efforts and exercise good faith in securing the rights for and constructing Phases I and II of the Project as provided herein. Without limiting the generality of the foregoing, the Cities and the Attorney General agree not to appeal or otherwise contest a decision of the EFSB (other than a decision rendered in proceedings pursuant to II-J, above) or any other agency or governmental authority which approves the project contemplated by this agreement.

C. Upon approval of this Agreement by the EFSB, Narragansett shall withdraw its appeal of the December, 2003, amendment of the East Providence Comprehensive Plan (PUC Docket No. 3574.)

D. The EFSB shall retain jurisdiction over this proceeding to address any future issues related to the project, including without limiting the generality of the foregoing, the exercise of its authority under § 42-98-7 and the interpretation and application of this Settlement Agreement.

E. Upon completion of the construction of Phase II or the Underground Alignment, Narragansett shall cooperate with East Providence to make portions of easements which are no longer necessary for current or future use by Narragansett, available for redevelopment by the owner of the fee consistent with the East Providence Waterfront Development Plan, upon such terms and conditions as Narragansett may determine.

F. Narragansett shall use reasonable efforts (i) to limit the width of new overhead easements in East Providence to seventy (70) feet, if consistent with good engineering practices, and (ii) to accommodate the use of property underlying the easement for non-structural uses which are consistent with the terms and conditions of the easements and Narragansett's use of such easements.

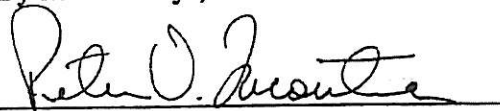
IV. Effect and Modification of Settlement Agreement.

A. This Settlement Agreement is the product of settlement negotiations. The content of those negotiations is privileged and all offers of settlement shall be without prejudice to the position of any party.

B. This Settlement Agreement shall be subject to approval by the EFSB. If the EFSB shall approve this Settlement Agreement in its entirety or shall approve it on any condition or subject to any modification that is acceptable to all of the Parties, the Parties shall implement this Settlement Agreement in accordance with its terms. If the EFSB should withhold approval of this Settlement Agreement, or should condition its approval upon any condition or modification that is unacceptable to any of the Parties, the Settlement Agreement shall be null and void and of no effect, and no Party shall cite it or use it for any purpose whatever.

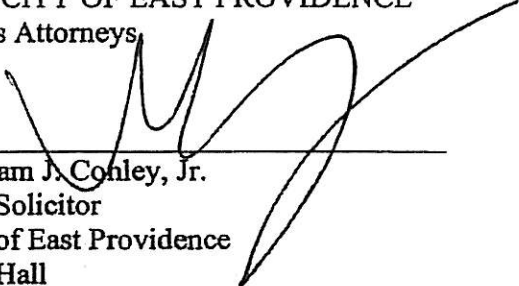
C. Each counsel signing this Settlement Agreement represents to the other parties hereto that such counsel is duly authorized to sign this Settlement Agreement on behalf of his or her client.

THE NARRAGANSETT ELECTRIC
COMPANY
By its Attorneys,




Peter V. Lacouture
NIXON PEABODY LLP
One Citizens Plaza, Suite 700
Providence, RI 02903

THE CITY OF EAST PROVIDENCE
By its Attorneys,



William J. Conley, Jr.
City Solicitor
City of East Providence
City Hall
145 Taunton Avenue
East Providence, RI 02914

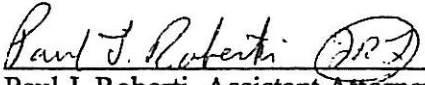


W. Mark Russo
FERRUCCI AND RUSSO P.C.
55 Pine Street, 5th Floor
Providence, RI 02903-2841

THE CITY OF PROVIDENCE
By its Attorneys,

Adrienne G. Southgate
Deputy City Solicitor
City of Providence – Law Dept.
275 Westminster Street, Suite 200
Providence, RI 02903

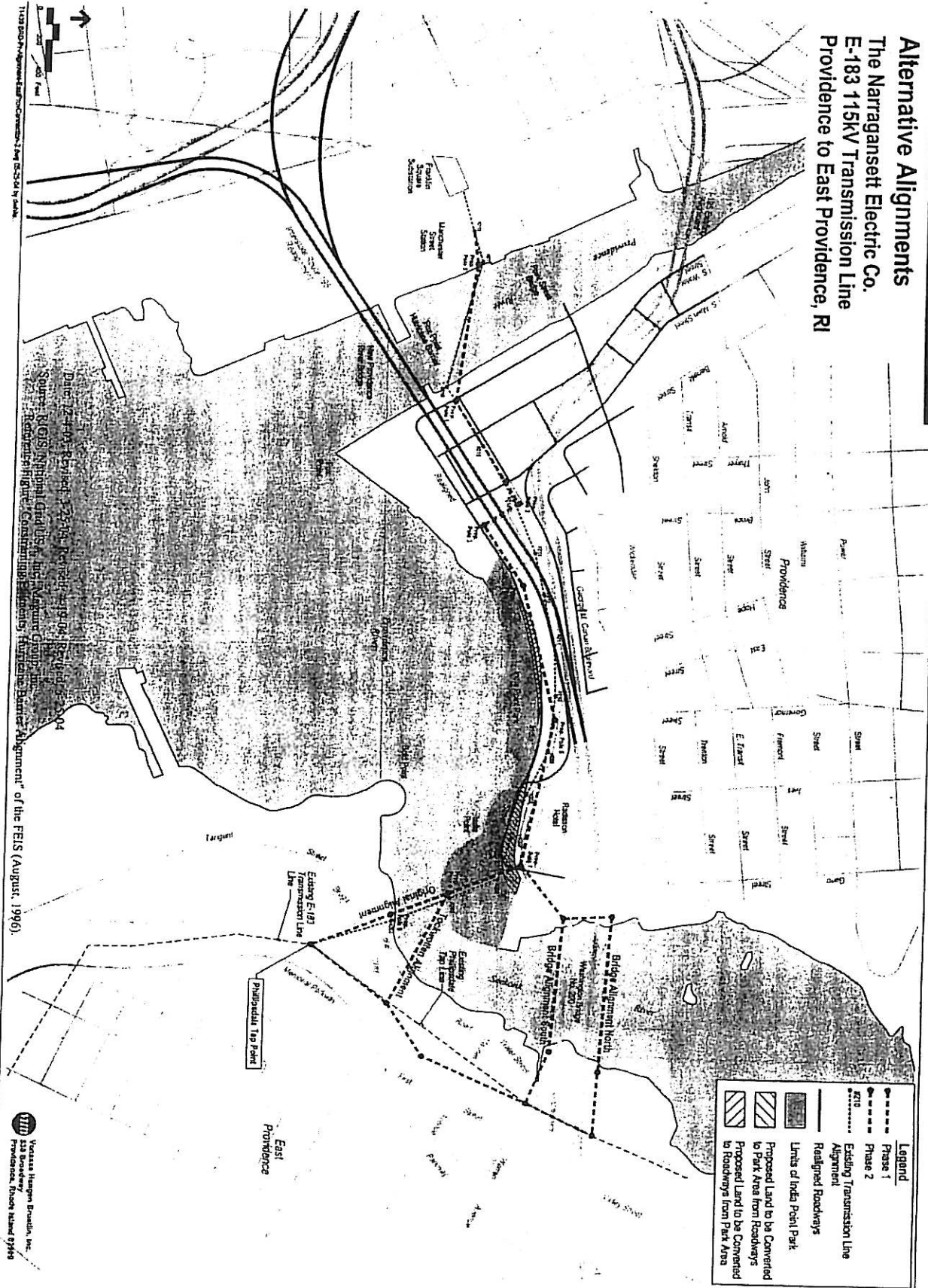
PATRICK C. LYNCH,
RHODE ISLAND ATTORNEY GENERAL
By its Attorneys,



Paul J. Roberti, Assistant Attorney General
Dept. of Attorney General
150 South Main St.
Providence, RI 02903

Alternative Alignments

The Narragansett Electric Co.
E-183 115kV Transmission Line
Providence to East Providence, RI



115kV E-183 115kV Transmission Line Project, Aug. 2004 by J.M.A.

Date: 12/14/04, Revised: 12/14/04, Revised: 11/19/04, Revised: 11/04/04
 Scale: 1" = 100' (North and South) and 1" = 200' (East and West)
 Author: J.M.A. (Narragansett Electric Co.) and J.M.A. (Narragansett Electric Co.)

JEP Narragansett Electric Co., Inc.
 225 Bay Street
 Providence, Rhode Island 02909

DISPUTE RESOLUTION PROCEDURES

1. Informal resolution

All disputes between Narragansett and any other party under paragraph II-G of the Settlement Agreement (the "Agreement") shall be referred, upon notice by one party to the other party, to a senior manager of each party designated by such party for resolution on an informal basis between the senior managers as promptly as practicable.

2. Arbitration

In the event the designated senior managers are unable to resolve the dispute within twenty (20) days of receipt of the Notice, or such other period to which the Parties may jointly agree, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth herein.

a. Location – arbitrators. The arbitration shall be conducted in Providence, Rhode Island before a single neutral arbitrator mutually agreed to and appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each party shall choose one arbitrator, who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to act as chairman of the arbitration panel. In either case, the arbitrator(s) shall be knowledgeable in electric utility matters, including transmission line engineering and construction issues, and shall not have any current or past substantial business or financial relationships with either Party or with a witness for either Party and shall not have a direct or indirect interest in any Party or the subject matter of the arbitration.

b. Procedures. The arbitrator(s) shall afford each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then-current arbitration rules of the CPR Institute for Dispute Resolution (formerly known as the Center for Public Resources), unless otherwise mutually agreed by the Parties. There shall be no formal discovery conducted in connection with the arbitration unless otherwise mutually agreed by the Parties; provided, however, that the Parties shall exchange witness lists and copies of any exhibits that they intend to utilize in their direct presentations at any hearing before the arbitrator(s) at least ten (10) days prior to such hearing, along with any other information or documents specifically requested by the arbitrator(s) prior to the hearing. Any offer made and the details of any negotiations to resolve the dispute shall not be admissible in the arbitration or otherwise.

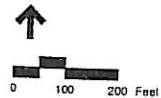
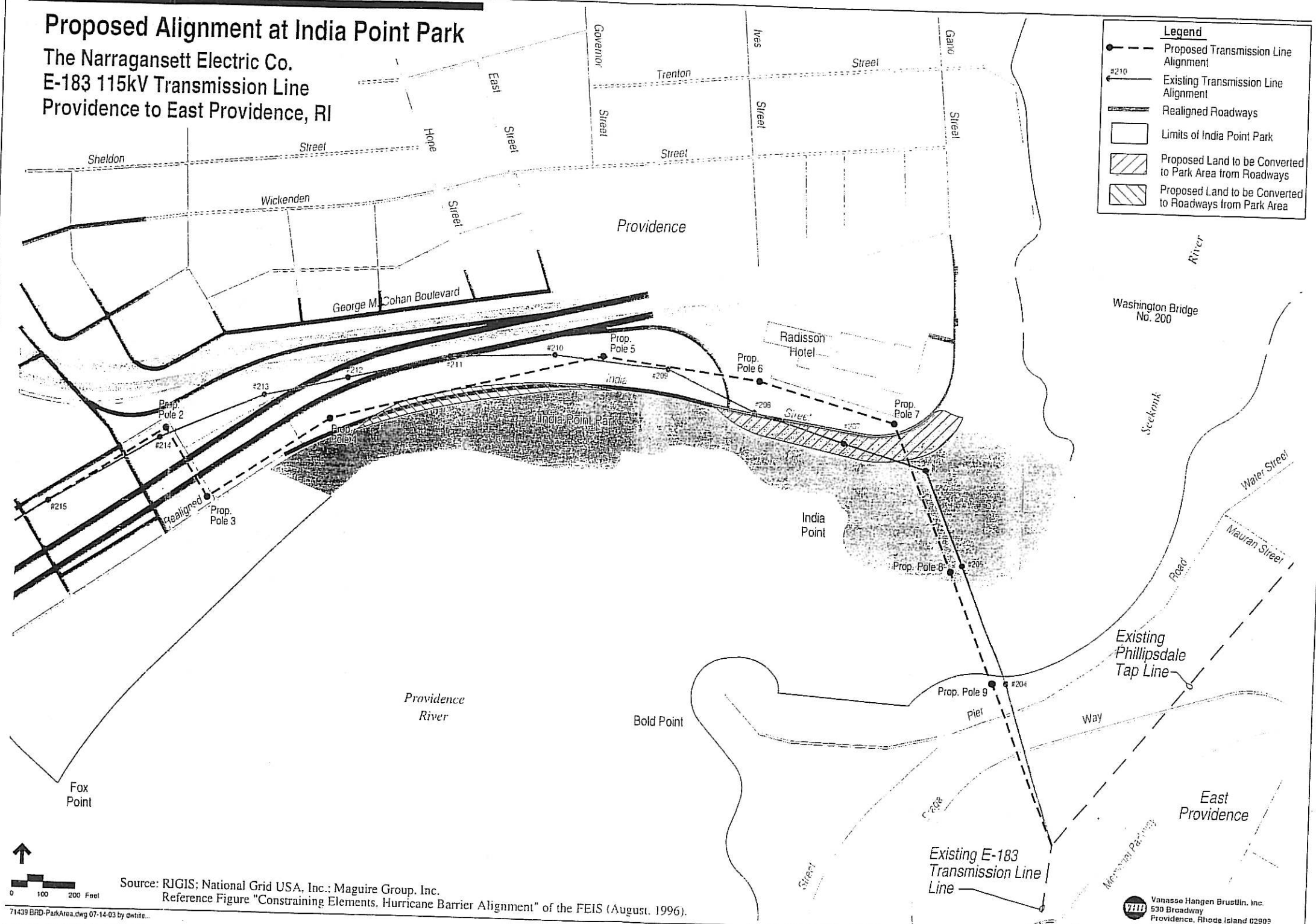
c. Decision. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of his, her or their appointment and shall notify the Parties in writing of such decision and the reasons therefore, and shall make an award apportioning the payment of the costs and expenses of arbitration among the Parties; provided, however, that each Party shall bear the costs and expenses of its own attorneys, expert witnesses and consultants unless the arbitrator(s), based upon a determination of good cause, awards attorneys fees and legal and other costs to the Prevailing Party. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon

the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act, the Administrative Dispute Resolution Act and/or the Rhode Island Arbitration Act.

Exhibit B

Proposed Alignment at India Point Park

The Narragansett Electric Co.
E-183 115kV Transmission Line
Providence to East Providence, RI



Source: RIGIS; National Grid USA, Inc.; Maguire Group, Inc.
Reference Figure "Constraining Elements, Hurricane Barrier Alignment" of the FEIS (August, 1996).

71439 BRD-ParkArea.dwg 07-14-03 by dwhite...

VHB Vanasse Hangen Brustlin, Inc.
530 Broadway
Providence, Rhode Island 02902

Exhibit C

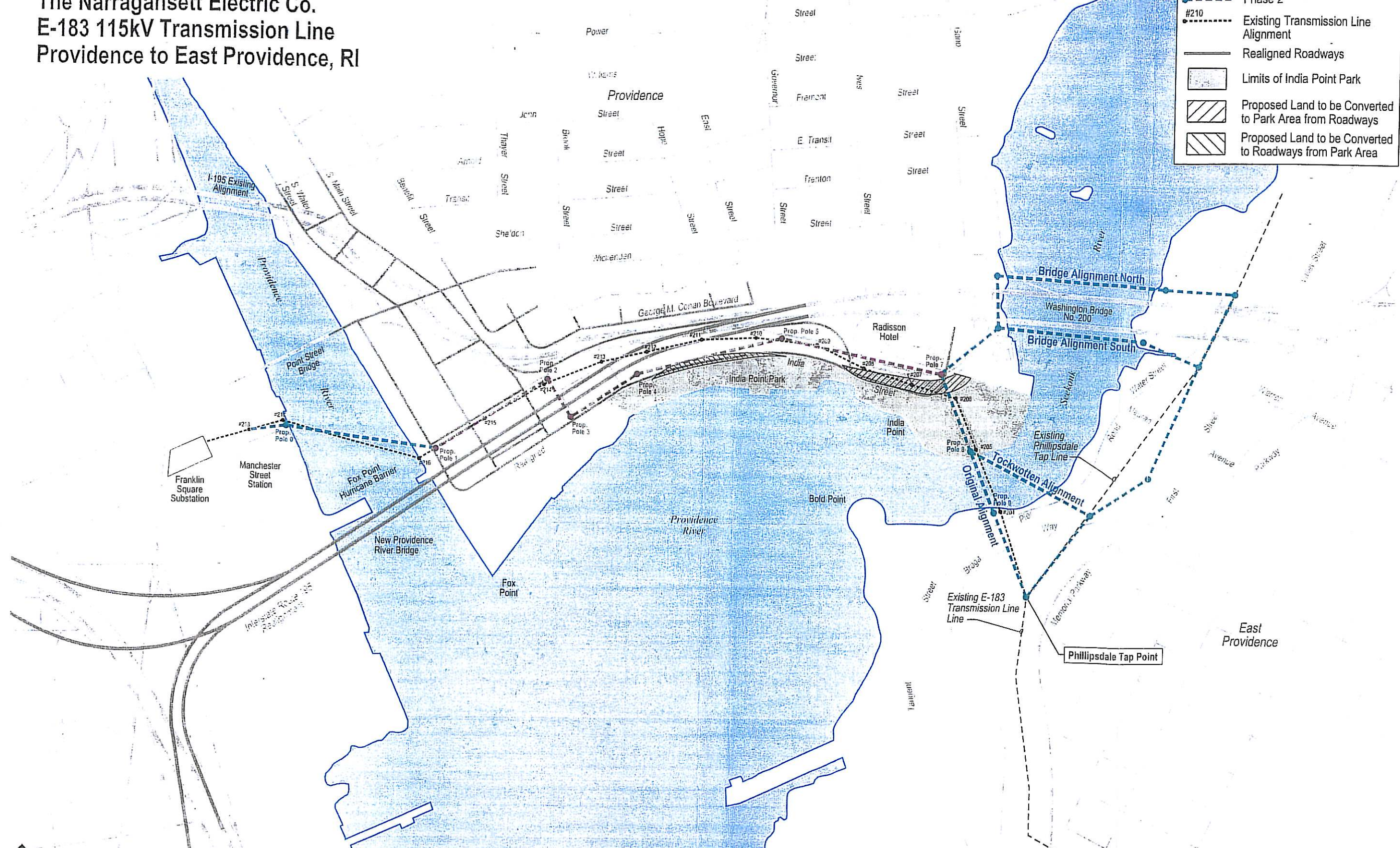
Exhibit C

Alternative Alignments

The Narragansett Electric Co. E-183 115kV Transmission Line Providence to East Providence, RI

Legend

- Phase 1
- Phase 2
- #210 Existing Transmission Line Alignment
- Realigned Roadways
- Limits of India Point Park
- Proposed Land to be Converted to Park Area from Roadways
- Proposed Land to be Converted to Roadways from Park Area



Date: 12-4-03; Revised: 3-25-04; Revised: 4-19-04; Revised: 5-25-04

Source: RIGIS; National Grid USA, Inc.; Maguire Group, Inc.
Reference Figure "Constraining Elements, Hurricane Barrier Alignment" of the FEIS (August, 1996).

Exhibit D

A

B

C

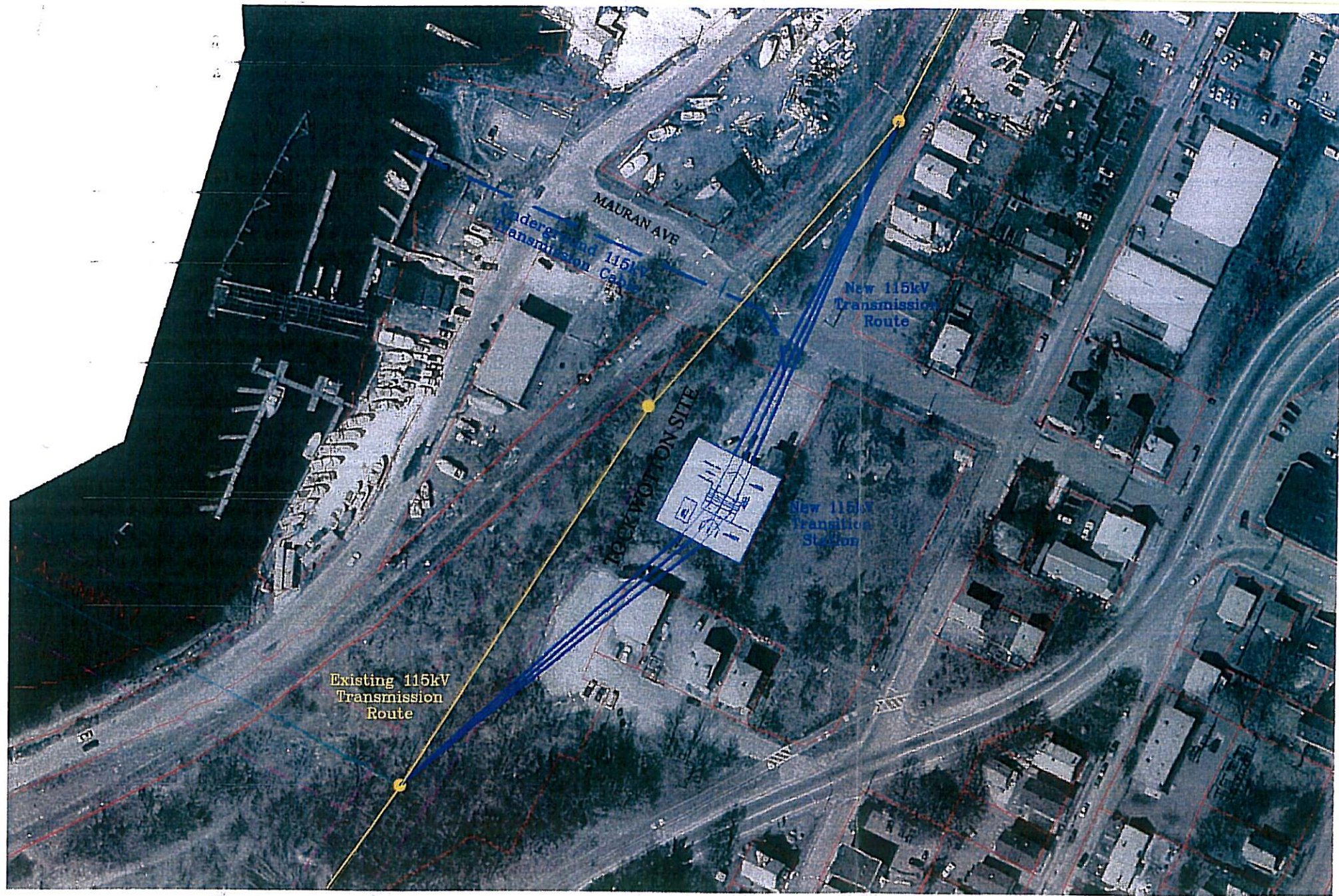
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| REV. | DATE | DESCRIPTION | BY | CHK. | DES. SUP. APP. APP. |

NARRAGANSETT ELECTRIC
 PROVIDENCE, RI

E-183 UNDERGROUND ALIGNMENT
 Proposed Tockwotton Transition Site
 November 11, 2004

| SCALE: | DRAWING NO. | REV. |
|--------|-------------|------|
| None | DMC-2 | A |

Exhibit E

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ENERGY FACILITY SITING BOARD

IN RE: The Narragansett Electric Company Notice of
Intent to Relocate Transmission Lines in Providence
and East Providence (E-183 115kV Transmission Line
Relocation Project – A/C I-195 Relocation)

Docket No. SB-2003-01

ASSENTED TO MOTION FOR A HEARING ON STATUS

With the assent of the City of East Providence, the Rhode Island Attorney General, Patrick C. Lynch, and the City of Providence, moves the Rhode Island Energy Facility Siting Board (the "EFSB") to compel all parties, including the Narragansett Electric Company doing business as National Grid ("National Grid") to attend a hearing as to the status of completion of the remaining steps to bring the "Underground Alignment" under the Settlement Agreement dated May 25, 2004, to completion. The Settlement Agreement is attached hereto as Exhibit A.

The immediate steps should require National Grid to prepare a construction grade estimate, commence detailed engineering and commence permitting, so as to allow the Cities to complete any remaining steps.

By way of background, the parties met at the end of 2008 to try and compel National Grid to issue a binding project schedule. The parties were scheduled to meet on February 6, 2009, at the offices of National Grid's counsel. Just prior to that meeting, National Grid issued an outline dated January 16, 2009, which listed the following "steps forward":

- IV. Steps forward — Engineering and Permitting
 - A. Perform utility research and engineering necessary to update estimate
 - B. Prepare construction grade estimate
 - C. Review and approval of estimate by Parties
 - D. Commence detailed engineering
 - E. Commence permitting (EFSB, DEM, CRMC, ACOE; municipalities?)

- V. Steps forward — Implementation
 - A. Acquire drilling landing site in Providence
 - B. Acquire other easements and rights —
 - 1. Providence including underground easement (India Point Park)
 - 2. East Providence including landing site (park)
 - 3. Tockwotten including transition station site and transmission line easements
 - C. Solicit material and installation bids for project
 - D. Review project construction estimate based on bid results
 - E. Obtain Providence and East Providence Council and mayors' approvals to proceed
 - F. Construct underground line
 - G. Remove overhead line and structures

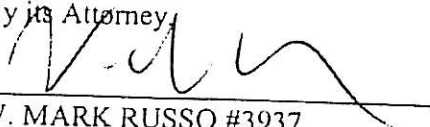
During the meeting on February 6, 2009, the parties in reviewing National Grid's "steps forward", emphasized the fact that construct grade estimates, the commencement of detailed engineering and the commencement of permitting was absolutely necessary to the timeline of the project.

Since that time, the status of the project is unclear. **The Cities are now at a point where the mere passage of time is going to threaten the existence of those routes, as well as funding.**

For these reasons, the Attorney General and the Cities request a hearing on status. Moreover, the Cities reserve any and all rights under the Alternate Dispute Resolution Provisions of the Settlement Agreement to hold National Grid be responsible for any additional and incremental costs arising out of delay occasioned by National Grid, including a return of the contributions of City ratepayers with statutory interest.

Respectfully submitted,

City of East Providence
By its Attorney

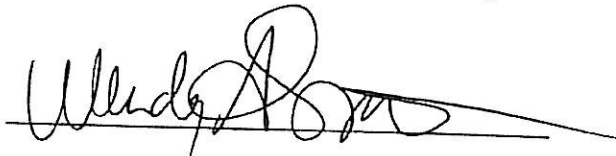


W. MARK RUSSO #3937
FERRUCCI RUSSO P.C.
55 Pine Street, 4th Floor -
Providence, RI 02903
Tel: (401) 455-1000
Fax: (401) 455-7778

Dated: February 12, 2010

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the within was sent via e-mail and via first-class mail to the following referenced on the attached service list on this 12th day of February, 2010.



DOCKET NO. SB-2003-1**Relocation of Transmission Lines in Providence and East Providence
(E-183 115kV Transmission Line Relocation Project – A/C I-195 Relocation)**

Service List as of 2/12/10

| Name/Address | E-mail | Phone/FAX |
|--|--|---|
| Peter V. Lacouture, Esq. Robinson & Cole LLP One Financial Plaza Suite 1430 Providence, RI 02903-2485 | placouture@rc.com | 401-709-3314 401-709-3399 |
| Leo Wold, Esq. Department of Attorney General 150 South Main Street Providence, RI 02903 | LWold@riag.ri.gov | 401-222-2424 ext. 2218 401-222-3016 |
| | Steve.scialabba@ripuc.state.ri.us | |
| | Mtobin@riag.ri.gov | |
| | dmacrae@riag.ri.gov Thomas.kogut@ripuc.state.ri.us | |
| W. Michael Sullivan, Ph.D., Director Dept. of Environmental Management 235 Promenade Street Providence, RI 02908 | Michael.sullivan@DEM.RI.Gov | 401-222-4700 ext. 2409 |
| | Rayna.santoro@dem.ri.gov | |
| Kevin Flynn, Associate Director for Division of Planning Department of Administration One Capitol Hill, 3 rd Floor Providence, RI 02903 | KFlynn@doa.ri.gov | 401-222-6496 |
| | mcosta@doa.ri.gov | |
| Ms. Adrienne G. Southgate City Solicitor City of Providence Department of Law 275 Westminster Street Providence, RI 02903 | asouthgate@providenceri.com | |
| RI Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888 | cwilson@puc.state.ri.us | |
| | anault@puc.state.ri.us | |
| John J. Spirito, Esq. (e-mail only) Division of Public Utilities and Carriers | jspirito@ripuc.state.ri.us | 401-780-2152 |
| JoAnne Sutcliffe (e-mail only) | Josut321@cox.net | |
| Mark W. Russo, Esq. Ferrucci Russo P.C. 55 Pine Street, 4th Floor Providence, RI 02903 | mrusso@frlawri.com | 401-455-1000 401-455-7778 |
| | wsmith@frlawri.com | |

| | | |
|---|---|--------------|
| File an original and 7 copies w/: Nicholas Ucci, Coordinator Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888 | <u>nucci@puc.state.ri.us</u> | 401-780-2106 |
| | <u>egermani@puc.state.ri.us</u> | |
| | <u>plucarelli@puc.state.ri.us</u> | |
| | | |

Exhibit A

SETTLEMENT AGREEMENT

THE NARRAGANSETT ELECTRIC COMPANY E-183 TRANSMISSION LINE PROJECT

This Settlement Agreement is entered into on the 25th day of May, 2004, by and among The Narragansett Electric Company ("Narragansett"), the City of East Providence ("East Providence") and the City of Providence ("Providence") (East Providence and Providence collectively referred to as "the Cities"), and the Rhode Island Attorney General, Patrick C. Lynch ("Attorney General"), collectively referred to as the "Parties," under the following circumstances:

- i. In April, 2003, Narragansett filed an application with the Energy Facility Siting Board ("EFSB") seeking approval under EFSB Rule 1.6(f) for the relocation of approximately 6,200 feet of Narragansett's existing E-183 115 kV transmission line (the "E-183 Line") from the Franklin Square Substation in Providence, across the Providence River, Fox Point, India Point and the Seekonk River to the Bold Point area of East Providence;
- ii. The E-183 Line connects the Franklin Square Substation with the Brayton Point Power Station in Somerset, Massachusetts, a distance of 16.2 miles; only the westernmost 6,200 feet is being relocated;
- iii. The relocation of 3,200 feet of the E-183 Line is necessary so that the Rhode Island Department of Transportation ("RIDOT") can complete its I-195 Relocation Project;
- iv. Narragansett proposed an overhead relocation alignment which included the reconstruction of the crossings of the Providence and Seekonk Rivers (the "Original Alignment") in its application to the EFSB. The Original Alignment is shown on the plan of alternatives that is attached hereto ("Alternatives Plan");
- v. The Cities and the Attorney General objected to the Original Alignment, on the grounds, among others, (1) that the Original Alignment would prevent the future development of certain parcels of waterfront property in East Providence, (2) that it would interfere with the use of India Point Park in Providence and (3) that the lowering of the height of the crossing of the Seekonk River would interfere with navigation on the River;
- vi. The Parties have developed several alternatives to the Original Alignment as described below;
- vii. Narragansett is willing to construct the Underground Alignment if the Attorney General and the other Parties are able to provide funding of the full incremental cost of this alternative and secure a route that is acceptable to the Parties;
- viii. If the Underground Alignment is determined not to be feasible, the Bridge Alignment North is preferred by all Parties and has been determined by Narragansett to be feasible from an engineering and technical perspective;

ix. The Rhode Island Economic Development Corporation ("EDC") and RIDOT support this Settlement Agreement as evidenced by the letters from EDC and RIDOT which are attached hereto; and

x. Subject to the terms and conditions set forth below, Narragansett is willing to relocate the E-183 Line using one of the alternative alignments.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

I. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings indicated.

1. "Phillipsdale Tap Point" is the existing Structure No. 203 at the junction of the E-183 Line and the Phillipsdale Tap line, adjacent to Veterans Memorial Parkway in East Providence and shown on the Alternatives Plan.

2. "New Phillipsdale Tap Point" is the point at which an alignment for Phase II (defined below) other than the Original Alignment, intersects the Phillipsdale Tap line.

3. "Phase I" shall mean the overhead relocation of that portion of the E-183 Line between the east bank of the Providence River and the vicinity of proposed Pole No. 7, located southeast of the Radisson Hotel and shown on the Alternatives Plan.

4. "Phase II" shall mean (i) the reconstruction of the E-183 Line from Franklin Square to the east bank of the Providence River and (ii) the relocation of the portion of the E-183 Line between the vicinity of Proposed Structure No. 7 and the Phillipsdale Tap Point. In all alternatives other than the Original Alignment, Phase II shall include the establishment of the New Phillipsdale Tap Point and reconstruction of the Phillipsdale Tap line from such New Phillipsdale Tap Point south to the existing Phillipsdale Tap Point.

5. "Underground Alignment" shall mean the underground relocation of the portion of the E-183 Line between Franklin Square Substation and a new transition station in East Providence, an overhead connection from the new transition station to the Phillipsdale Tap Point or a New Phillipsdale Tap Point, and the rebuilding and reconductoring of the Phillipsdale Tap Line from the New Phillipsdale Tap Point, if any, south to the Phillipsdale Tap Point. The actual route of the Underground Alignment shall be determined as specified in Paragraph II-D.

6. "Bridge Alignment North" means a route from Structure 7 traversing north between Gano Street and the Brown Boathouse on the Providence side of the Seekonk River to a structure north of I-195, and then spanning across I-195 near the west end of the Washington Bridge. The line would then span across the Seekonk River, adjacent to and on the north side of the Washington Bridge, making landfall in East Providence at a structure which would be located in the southwest corner of the parcel presently occupied by Guild Drilling. The line would then proceed in an easterly direction across the railroad, intersecting with the existing Phillipsdale Tap Line at a New Phillipsdale Tap Point. The Phillipsdale Tap Line would then be

reconducted and rebuilt back to the existing junction structure located atop the hill adjacent to Veterans Memorial Parkway.

7. "Bridge Alignment South" means a route from Structure 7 traversing north between Gano Street and the Brown Boathouse on the Providence side of the Seekonk River to a structure south of I-195. The line would then span across the Seekonk River, adjacent to and south of the Washington Bridge, making landfall in East Providence at a structure which would be located in the southwest corner of the parcel presently occupied by MTTI. The line would then proceed in an east-southeast direction across the railroad to a New Phillipsdale Tap Point to be located in the Phillipsdale Tap Line, east of the railroad and south of the Warren Avenue extension. The Phillipsdale Tap Line would then be reconducted and rebuilt back to the existing Phillipsdale Tap Point. This alternative alignment is identified as the "Northern Alignment" on Attachment DJB-5 to Mr. Beron's March 31, 2004 Prefiled Testimony to the Energy Facility Siting Board.

8. "Tockwotten Alignment" means a route from Structure 7 to a new structure to be located adjacent to existing Tower #205 on the west bank of the Seekonk River. From this point, the line would proceed in a south-easterly direction across the Seekonk River, making landfall in East Providence at a New Phillipsdale Tap Point to be located in the Phillipsdale Tap Line. The Phillipsdale Tap Line would then be reconducted and rebuilt back to the existing Phillipsdale Tap Point.

9. The Bridge Alignment North, Bridge Alignment South and Tockwotten Alignment are all shown on the Alternatives Plan.

II. PHASING AND ALIGNMENTS

A. In order to accommodate the RIDOT I-195 Relocation Project, Narragansett shall complete the relocation of the E-183 Line in two phases.

B. During 2005, Narragansett shall construct Phase I of the E-183 Line relocation, and shall connect Phase I with the existing E-183 Line (i) at the Providence River crossing and (ii) in the vicinity of Pole Nos. 206 and 205, with such modifications to such structure(s) as it deems necessary.

C. East Providence and Narragansett shall consult as to any relocations which East Providence desires in the existing Phillipsdale Tap line. East Providence shall advise Narragansett on or before June 30, 2004 as to the portions it wishes Narragansett to relocate. Narragansett shall relocate such portions of the Phillipsdale Tap Line from the New Phillipsdale Tap Point to the Phillipsdale Tap Point as (i) are feasible, (ii) for which East Providence has provided exclusive perpetual easements for the new locations in form and substance satisfactory to Narragansett (including, but not limited to, satisfactory title and environmental review), as well as all required municipal permits and approvals in form and content satisfactory to Narragansett and (iii) for which funding arrangements have been made, as provided in this Agreement.

D. Underground Alignment.

1. Narragansett shall consult with the Parties prior to determining a route for the Underground Alignment. In making such determination, Narragansett shall consider the following factors: (i) the ability and willingness of Providence, East Providence and RIDOT to provide all rights necessary for Narragansett to construct and operate the Underground Alignment from Franklin Square to the Phillipsdale Tap Point including fee ownership of an acceptable site satisfactory to Narragansett (including, but not limited to, satisfactory title, environmental and engineering review) for the East Providence transition station and directional drilling sites and exclusive perpetual easements for the underground cable route and the route of the overhead connection from the East Providence transition station to the New Phillipsdale Tap Point, (ii) the length and constructability of the potential routes, (iii) environmental, title, licensing, permitting and operational issues related to the proposed route and transition station site, and (iv) such other factors as Narragansett deems appropriate. Narragansett shall finalize a route for the Underground Alignment on or before September 15, 2004. The parties shall consent to the final route for the Underground Alignment.

2. On or before November 15, 2004, Narragansett shall provide to the Parties a design, construction grade estimate of the direct and indirect costs and expenses for construction of the Underground Alignment (which shall include the cost of constructing and removal of Phase I) and required easement widths for the Underground Alignment, including proposed structure locations for the reconstruction and/or relocation of the Phillipsdale Tap line from the New Phillipsdale Tap Point to the Phillipsdale Tap Point.

3. On or before November 30, 2004, Narragansett shall consult with East Providence, Providence and RIDOT and determine what property, easements and other property rights located in the jurisdiction of each of the Cities, whether owned by any public entity or private party, Narragansett will require for the construction, operation and maintenance of the E-183 Line using the Underground Alignment (which shall include, without limitation, additional easement width on the Phillipsdale Tap Line, if required, and easements for the river crossings.)

4. On or before January 15, 2005, the Attorney General shall provide evidence of commitments for sources of funding for the estimated cost of the Underground Alignment, including the use of RIDOT funds, and funding from the Rhode Island Economic Development Corporation, East Providence, Providence and other sources. Such funding shall either be disbursed to Narragansett or otherwise committed and guaranteed, in a manner satisfactory to Narragansett, for the construction of the Underground Alignment.

5. On or before March 1, 2005, the Parties and RIDOT shall provide to Narragansett binding commitments, in form and content satisfactory to Narragansett, for the acquisition (if necessary) and conveyance to Narragansett of all such easements, fee title and other property rights as have been determined by Narragansett to be necessary.

6. On or before June 1, 2005, the Parties and RIDOT shall obtain and convey to Narragansett, at no cost to Narragansett, good, clear record and marketable title to the transition station site and to such easements, and other property rights as have been determined by Narragansett to be necessary. All easements shall be exclusive, perpetual easements for the full width specified by Narragansett, shall contain Narragansett's standard terms and conditions

for transmission line easements including, but not limited to, the right of Narragansett to prohibit construction or maintenance of any building or other structure or vegetation on, or any change in grade of, the easement area. The deed for the transition station, the grants of easement and the property interests transferred thereby shall in all respects be in form and substance satisfactory to Narragansett (including but not limited to satisfactory title and environmental review.) The easements within the East Providence Waterfront Development District shall allow, subject to Narragansett's consent not to be unreasonably withheld and subject to such reasonable conditions as it may require, the easement area to be paved or surfaced for parking and circulation, or to be landscaped as appropriate buffer or transition space.

7. Narragansett shall seek any necessary permits and regulatory approvals, including those to be issued by the Army Corps of Engineers and the Rhode Island Coastal Resources Management Council, for the construction of the Underground Alignment.

8. Upon the issuance of all necessary permits and regulatory approvals, upon the performance by the Parties of the conditions set forth in paragraphs 3-6 above with respect to easements and other property rights and funding, and upon proof that the requisite actions of the Cities have been to the extent necessary approved or ratified by the appropriate City Council or other lawful authority, Narragansett shall complete its final design for, and then shall construct, the Underground Alignment.

E. Phase II -- Bridge Alignment North.

1. In the event that (i) any of the conditions set forth in paragraphs D(3) – D(8), supra, is not satisfied, or (ii) any necessary permit or regulatory approval cannot be obtained, or (iii) the Parties mutually agree for any other reason that the construction of the Underground Alignment is too costly or is not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett and the other Parties shall perform the following actions and conditions, subject to the schedule provided in the stipulation or approved by the EFSB pursuant to paragraph II-J.

2. Narragansett shall provide to the Parties a design, construction grade estimate of the direct and indirect costs and expenses for construction of the Underground Alignment, proposed structure locations and required easement widths for the Bridge Alignment North, including the reconstruction and/or relocation of the Phillipsdale Tap line from the New Phillipsdale Tap Point to the Phillipsdale Tap Point.

3. Narragansett shall consult with East Providence and Providence and determine what easements and other property rights located in the jurisdiction of each of the Cities, whether owned by any public entity or private party, Narragansett will require for the construction, operation and maintenance of the E-183 Line using the Bridge Alignment North (which shall include, without limitation, the following: additional easement width on the Phillipsdale Tap Line, if required, and an easement for the Seekonk River crossing.)

4. The Parties shall consult and agree on the sources of funding for the estimated incremental cost of Bridge Alignment North in excess of the estimated cost of Phase II of the Original Alignment, including the use of RIDOT enhancement funds, and funding from

the Rhode Island Economic Development Corporation, East Providence, Providence and other sources. Such incremental funding shall either be disbursed to Narragansett or otherwise committed and guaranteed, in a manner satisfactory to Narragansett, for the construction of the Bridge Alignment North.

5. Providence and East Providence shall provide to Narragansett binding commitments, in form and content satisfactory to Narragansett, for the acquisition (if necessary) and conveyance to Narragansett of all such easements and other property rights as have been determined by Narragansett to be needed.

6. Providence and East Providence shall obtain and convey to Narragansett, at no cost to Narragansett, good, clear record and marketable title to such easements and other property rights as have been found necessary. All easements shall be exclusive, perpetual easements for the full width specified by Narragansett, shall contain Narragansett's standard terms and conditions for transmission line easements including, but not limited to the right of Narragansett to prohibit construction or maintenance of any building or other structure or vegetation on, or any change in grade of, the easement area. The grants of easement and the property interests transferred thereby and shall in all respects be in form and substance satisfactory to Narragansett (including but not limited to satisfactory title and environmental review.) The easements within the East Providence Waterfront Development District shall allow, subject to Narragansett's consent not to be unreasonably withheld and subject to such reasonable conditions as it may require, the easement area to be paved or surfaced for parking and circulation, or to be landscaped as appropriate buffer or transition space.

7. Narragansett shall seek any necessary permits and regulatory approvals, including those to be issued by the Army Corps of Engineers and the Rhode Island Coastal Resources Management Council, for the construction of the Bridge Alignment North.

8. Upon the issuance of all necessary permits and regulatory approvals, upon the performance by the Parties of the conditions set forth in paragraphs 3-6 above with respect to easements and other property rights and funding, and upon proof that the requisite actions of the Cities have been to the extent necessary approved or ratified by the appropriate City Council or other lawful authority, Narragansett shall complete its final design for, and then shall construct, the Bridge Alignment North.

F. Phase II-- Bridge Alignment South. In the event that (i) any of the conditions set forth in paragraphs E(3) – E(8), supra, is not satisfied, or (ii) any necessary permit or regulatory approval cannot be obtained, or (iii) the Parties mutually agree for any other reason that the construction of the Bridge Alignment North is too costly or is not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett and the other Parties shall perform, with respect to the Bridge Alignment South, the actions and conditions set forth in paragraphs E(1) through E(8) supra, subject to the schedule provided in the stipulation or approved by the EFSB pursuant to paragraph II-J.

G. Phase II -- Tockwotten Alignment. In the event that with respect to the Bridge Alignment North and the Bridge Alignment South, (i) any of the conditions set forth in paragraphs E(3) – E(8), supra, is not satisfied, or (ii) any necessary permit cannot be obtained, or

(iii) the Parties mutually agree for any other reason that the construction of such alignments are too costly or are not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett and the other Parties shall perform, with respect to the Tockwotten Alignment, the actions and conditions set forth in paragraphs E(1) through E(8) *supra*, subject to the schedule provided in the stipulation or approved by the EFSB pursuant to paragraph II-J.

H. Accounting.

1. Phase I. Narragansett shall maintain and make available for review by the Parties project-specific cost records for Phase I.

2. Underground Alignment

(a) Following the completion of the E-183 Line relocation using the Underground Alignment, Narragansett shall provide to those Parties that provided or committed to provide funding for the Underground Alignment, an accounting of the moneys actually expended in design and construction of the Underground Alignment, including the cost of constructing and removal of Phase I.

(b) In the event that the funding provided should exceed the cost of the Underground Alignment, Narragansett shall, within forty-five (45) days of such accounting, remit a refund, calculated on a *pro rata* basis or such other basis as the Parties may agree to, to those Parties that provided such funding. In case the funding provided is less than such cost, Narragansett shall, within forty-five (45) days of such accounting, submit to each of the Parties that undertook to pay the cost a bill for its *pro rata* share of the cost in excess of the funds provided, such bill(s) due and payable to Narragansett within 30 days of its issuance.

3. Other Alignments

(a) Following the completion of Phase II of the E-183 Line relocation using the Bridge Alignment North, Bridge Alignment South, or the Tockwotten Alignment, Narragansett shall provide to those Parties that provided or committed to provide incremental funding for the adopted alignment, an accounting of the moneys actually expended in Phase II design and construction, including a calculation of the actual incremental cost of such construction in excess of the estimated cost of the Original Alignment.

(b) In the event that the funding provided should exceed the incremental cost of the chosen alignment in comparison to the Original Alignment, Narragansett shall, within forty-five (45) days of such accounting, remit a refund, calculated on a *pro rata* basis, to those Parties that provided such incremental funding. In case the funding provided is less than such incremental cost, Narragansett shall, within forty-five (45) days of such accounting, submit to each of the Parties that undertook to pay the incremental cost a bill for its *pro rata* share of the cost in excess of the funds provided, such bill(s) due and payable to Narragansett within 30 days of its issuance.

4. In the event of any dispute among the Parties as to the cost of the Underground Alignment or the incremental cost of Phase II, the matter shall be resolved using the dispute resolution procedures attached hereto.

I. Phase II -- Original Alignment.

In the event that with respect to the Bridge Alignment North, the Bridge Alignment South and the Tockwotten Alignment, (i) any of the conditions set forth in paragraphs E(3) – E(8), supra, is not satisfied, or (ii) any necessary permit or regulatory approval cannot be obtained, (iii) all such permits and approvals for one of such alignments or the Underground Alignment have not been received by January 1, 2007, or (iv) the Parties mutually agree for any other reason that the construction of such alignments are too costly or are not feasible (in light of such factors as engineering considerations, property rights or licensing issues), Narragansett shall file a stipulation or Report with the EFSB pursuant to paragraph II-J hereof. Thereafter, Narragansett shall construct Phase II of the E-183 relocation using the Original Alignment, subject to approval of the EFSB pursuant to paragraph II-J.

J. Report to EFSB. In the event that Narragansett determines that construction of any of the Underground Alignment, Bridge Alignment North, Bridge Alignment South or Tockwotten Alignment is not feasible, before proceeding to any alternative alignment (e.g., from Underground Alignment to Bridge Alignment North or Bridge Alignment North to Bridge Alignment South), Narragansett shall file with the EFSB (i) a stipulation signed by all parties hereto consenting to the alternate alignment and providing a new schedule for the actions in paragraphs E(1) – E(8) with respect to such alignment, or (ii) a report (the "Report") presenting in detail the justifications for pursuing the alternative alignment and proposing a new schedule. Within twenty (20) days of filing of the Report, any Party may file an objection and within ten (10) days thereafter, Narragansett may respond to the objection(s). Thereafter, the EFSB shall conduct a hearing to resolve such issues and/or disputes and approve, modify or reject the Report.

III. OTHER MATTERS.

A. The Cities and the Attorney General shall not contest, before the EFSB (other than proceedings pursuant to II-J above) or any other agency or government authority whose approval of the E-183 relocation may be required, Narragansett's relocation of the E-183 Line pursuant to the terms of this Settlement Agreement, including without limitation the several alternative alignments, subject to the priority among them and the conditions for the adoption of each.

B. Narragansett and the other Parties shall cooperate and will use their best efforts and exercise good faith in securing the rights for and constructing Phases I and II of the Project as provided herein. Without limiting the generality of the foregoing, the Cities and the Attorney General agree not to appeal or otherwise contest a decision of the EFSB (other than a decision rendered in proceedings pursuant to II-J, above) or any other agency or governmental authority which approves the project contemplated by this agreement.

C. Upon approval of this Agreement by the EFSB, Narragansett shall withdraw its appeal of the December, 2003, amendment of the East Providence Comprehensive Plan (PUC Docket No. 3574.)

D. The EFSB shall retain jurisdiction over this proceeding to address any future issues related to the project, including without limiting the generality of the foregoing, the exercise of its authority under § 42-98-7 and the interpretation and application of this Settlement Agreement.

E. Upon completion of the construction of Phase II or the Underground Alignment, Narragansett shall cooperate with East Providence to make portions of easements which are no longer necessary for current or future use by Narragansett, available for redevelopment by the owner of the fee consistent with the East Providence Waterfront Development Plan, upon such terms and conditions as Narragansett may determine.

F. Narragansett shall use reasonable efforts (i) to limit the width of new overhead easements in East Providence to seventy (70) feet, if consistent with good engineering practices, and (ii) to accommodate the use of property underlying the easement for non-structural uses which are consistent with the terms and conditions of the easements and Narragansett's use of such easements.

IV. Effect and Modification of Settlement Agreement.

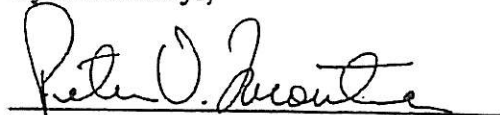
A. This Settlement Agreement is the product of settlement negotiations. The content of those negotiations is privileged and all offers of settlement shall be without prejudice to the position of any party.

B. This Settlement Agreement shall be subject to approval by the EFSB. If the EFSB shall approve this Settlement Agreement in its entirety or shall approve it on any condition or subject to any modification that is acceptable to all of the Parties, the Parties shall implement this Settlement Agreement in accordance with its terms. If the EFSB should withhold approval of this Settlement Agreement, or should condition its approval upon any condition or modification that is unacceptable to any of the Parties, the Settlement Agreement shall be null and void and of no effect, and no Party shall cite it or use it for any purpose whatever.

C. Each counsel signing this Settlement Agreement represents to the other parties hereto that such counsel is duly authorized to sign this Settlement Agreement on behalf of his or her client.

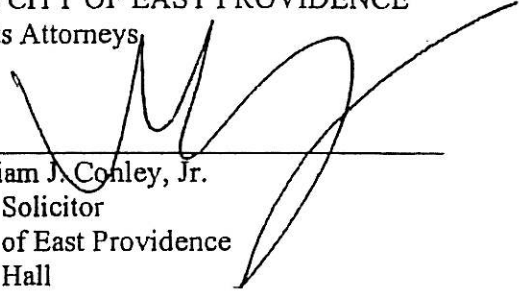
THE NARRAGANSETT ELECTRIC
COMPANY

By its Attorneys,

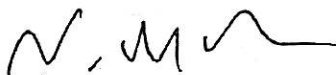


Peter V. Lacouture
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THE CITY OF EAST PROVIDENCE
By its Attorneys,



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City Solicitor
City of East Providence
City Hall
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By its Attorneys,

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Deputy City Solicitor
City of Providence - Law Dept.
275 Westminster Street, Suite 200
Providence, RI 02903

PATRICK C. LYNCH,
RHODE ISLAND ATTORNEY GENERAL
By its Attorneys,



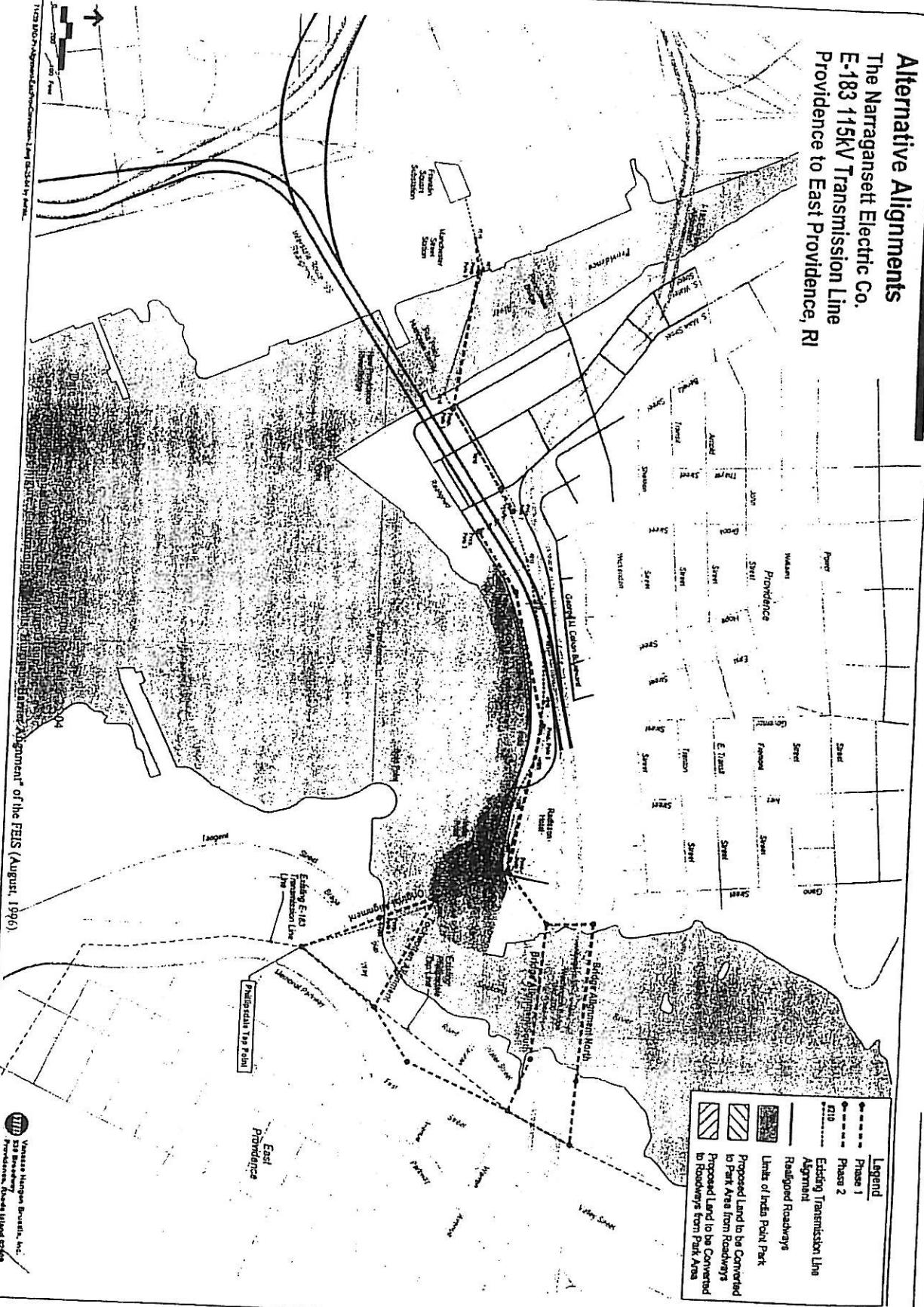
Paul J. Roberti, Assistant Attorney General
Dept. of Attorney General
150 South Main St.
Providence, RI 02903

Alternative Alignments

The Narragansett Electric Co.
 E-183 115KV Transmission Line
 Providence to East Providence, RI

Legend

- Phase 1
- Phase 2
- E-183
- Existing Transmission Line Alignment
- Realigned Roadways
- Links of Inlets Point Park
- Proposed Land to be Converted to Park Area from Roadways
- Proposed Land to be Converted to Roadways from Park Area



1:25,000 Scale - Alignment Alternative Comparison - Line 10-25-04 by 10/10/04

NED Narragansett Electric Co.
 Providence, Rhode Island 02908

DISPUTE RESOLUTION PROCEDURES

1. Informal resolution

All disputes between Narragansett and any other party under paragraph II-G of the Settlement Agreement (the "Agreement") shall be referred, upon notice by one party to the other party, to a senior manager of each party designated by such party for resolution on an informal basis between the senior managers as promptly as practicable.

2. Arbitration

In the event the designated senior managers are unable to resolve the dispute within twenty (20) days of receipt of the Notice, or such other period to which the Parties may jointly agree, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth herein.

a. Location – arbitrators. The arbitration shall be conducted in Providence, Rhode Island before a single neutral arbitrator mutually agreed to and appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each party shall choose one arbitrator, who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to act as chairman of the arbitration panel. In either case, the arbitrator(s) shall be knowledgeable in electric utility matters, including transmission line engineering and construction issues, and shall not have any current or past substantial business or financial relationships with either Party or with a witness for either Party and shall not have a direct or indirect interest in any Party or the subject matter of the arbitration.

b. Procedures. The arbitrator(s) shall afford each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then-current arbitration rules of the CPR Institute for Dispute Resolution (formerly known as the Center for Public Resources), unless otherwise mutually agreed by the Parties. There shall be no formal discovery conducted in connection with the arbitration unless otherwise mutually agreed by the Parties; provided, however, that the Parties shall exchange witness lists and copies of any exhibits that they intend to utilize in their direct presentations at any hearing before the arbitrator(s) at least ten (10) days prior to such hearing, along with any other information or documents specifically requested by the arbitrator(s) prior to the hearing. Any offer made and the details of any negotiations to resolve the dispute shall not be admissible in the arbitration or otherwise.

c. Decision. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of his, her or their appointment and shall notify the Parties in writing of such decision and the reasons therefore, and shall make an award apportioning the payment of the costs and expenses of arbitration among the Parties; provided, however, that each Party shall bear the costs and expenses of its own attorneys, expert witnesses and consultants unless the arbitrator(s), based upon a determination of good cause, awards attorneys fees and legal and other costs to the Prevailing Party. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon

the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act, the Administrative Dispute Resolution Act and/or the Rhode Island Arbitration Act.

Exhibit F

042610 - Lacouture - RE EFSB 2003-01 Status Conference Report

From: Lacouture, Peter V. [placouture@rc.com]
Sent: Monday, April 26, 2010 1:56 PM
To: 'Nicholas Ucci'; jboyle@cityofeastprov.com; Josut321@cox.net;
Michael.sullivan@DEM.RI.Gov; Rayna.santoro@DEM.RI.Gov; Kevin Flynn; W.
Mark Russo, Esq.; Wendy Smith; asouthgate@providenceri.com; Alan Nault;
Cindy Wilson; Elia Germani; Patricia Lucarelli; dmacrae@riag.ri.gov;
JHagopian@riag.ri.gov; LWold@riag.ri.gov; Mtobin@riag.ri.gov; john
spirito; steve scialabba; Thomas Kogut
Subject: RE: EFSB 2003-01 Status Conference Report

Thanks Nick. Mark said that he would advise us as to the extend of the Phillipsdale tap line relocation that East Providence is seeking. We need this information before we can address the first item below.

PVL

-----Original Message-----

From: Nicholas Ucci [mailto:NUcci@puc.state.ri.us]
Sent: Monday, April 26, 2010 1:58 PM
To: jboyle@cityofeastprov.com; Josut321@cox.net; Michael.sullivan@DEM.RI.Gov;
Rayna.santoro@DEM.RI.Gov; Kevin Flynn; mrusso@frlawri.com; wsmith@frlawri.com;
asouthgate@providenceri.com; Alan Nault; Cindy Wilson; Elia Germani; Nicholas Ucci;
Patricia Lucarelli; Lacouture, Peter V.; dmacrae@riag.ri.gov; JHagopian@riag.ri.gov;
LWold@riag.ri.gov; Mtobin@riag.ri.gov; john spirito; steve scialabba; Thomas Kogut
Subject: Re: EFSB 2003-01 Status Conference Report

Good afternoon,

To recap the action items resulting from last week's status conference on EFSB-2003-01:

NGrid

- * Mr. Lacouture agreed to work to move forward on the Phillipsdale and related tap line issues in E. Providence, as requested by Mr. Russo.
- * Mr. Lacouture agreed to provide a status update on the rights to a staging site on property owned by Dominion.
- * Mr. Lacouture agreed to work with Mr. Hagopian on a motion regarding the use of storm funds set aside for this project.
- * Mr. Lacouture agreed to work on providing parties with an updated construction study grade estimate taking into account changes in material costs and other factors.

Attorney General/DPUC

- * Mr. Hagopian will be working with Mr. Lacouture on a motion regarding the use of storm funds set aside for this project.

Providence

- * Ms. Southgate will provide a status update on the redevelopment project and condemnation process.

If you believe anything has been misinterpreted or is missing, please let me know.

Thank you.

Regards,
Nick

042610 - Tacouture - RE EFSB 2003-01 Status Conference Report

Nick Ucci
Principal Policy Analyst, RI Public Utilities Commission Coordinator, RI Energy
Facility Siting Board

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 780-2106

This transmittal may be a confidential attorney-client communication or may otherwise be privileged or confidential. If it is not clear that you are the intended recipient, you are hereby notified that you have received this transmittal in error; any review, dissemination, distribution, or copying of this transmittal is strictly prohibited. If you suspect that you have received this communication in error, please notify us immediately by telephone at 1-860-275-8200, or e-mail at it@rc.com, and immediately delete this message and all its attachments.

Exhibit G

ROBINSON & COLE LLP

PETER V. LACOUTURE

One Financial Plaza, Suite 1430
Providence, RI 02903-2485
Direct (401) 709-3314
Fax (401) 709-3377
placouture@rc.com

December 10, 2010

W. Mark Russo, Esq.
Ferrucci Russo, P.C.
55 Pine Street, Suite 4
Providence, RI 02903

Re: **National Grid – E183 (Relocation of Phillipsdale Tap)**

Dear Mark:

I am responding to your request for a meeting to discuss the proposed relocation of the Phillipsdale Tap. As you know, we have had difficulty finding a convenient time for a meeting among representatives of East Providence, National Grid and Tockwotten. In lieu of scheduling a meeting, I thought I would write and summarize National Grid's thinking about East Providence's request that National Grid relocate the Phillipsdale Tap in advance of the construction of the underground portion of the E183 transmission line.

As a preliminary matter, we understand that East Providence and the Rhode Island Department of Transportation ("RIDOT") are working with a National Grid engineer to relocate the pole at the western end of Warren Avenue as part of the Waterfront Drive relocation. If East Providence seeks to combine this relatively simple project with the relocation of the Phillipsdale Tap it will, undoubtedly, delay the relocation of the Warren Avenue pole. As a result, we recommend that the projects not be combined.



Law Offices

BOSTON

PROVIDENCE

HARTFORD

NEW LONDON

STAMFORD

WHITE PLAINS

NEW YORK CITY

ALBANY

SARASOTA

www.rc.com

There are a number of issues that must be resolved prior to the relocation of the Phillipsdale Tap ahead of the underground cable project. I will discuss each of these separately.

1. **Funding.** If the Phillipsdale Tap is to be relocated prior to and independent of the underground project, it is necessary to identify a source of funding to enable National Grid to commence engineering, survey, and, ultimately, construction. During the status conference on July 14, you suggested that RIDOT funding be used for this purpose. However, Mike Mitchell explained that in the event the full cable project were not completed, RIDOT and the federal government would require the reimbursement of these funds. Thus we need to identify another source of

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ROBINSON & COLE^{LLP}

W. Mark Russo, Esq.
December 10, 2010
Page 2

funds that could be used for the relocation of the Phillipsdale Tap independent from the underground project.

2. Property Survey. When National Grid and East Providence representatives met on July 1, we reviewed a sketch showing the proposed relocation. Once the north and south termini of the relocation are agreed upon, it will be necessary to survey a new easement for the Phillipsdale Tap. As part of this, National Grid and East Providence must determine whether the relocated line is to be built in a temporary location and subsequently relocated into the transition station after it is constructed. (If the line were to be built into the proposed transition station site now, it would likely interfere with the construction of the transition station.)

3. Property Transfers. Once the route of the line, location of the proposed easement, and site of the new transition station are determined, it will be necessary for Tockwotten to grant to National Grid (i) a new easement for the relocated Phillipsdale Tap and (ii) the fee of the site of the transition station and access into it. We note that Section 42-98-1.1(e) of the Energy Facility Siting Act requires that any easements "no longer being used by the Company for utility purposes after the underground alignment is completed" be transferred to the city where the easement is located. Assuming that Tockwotten plans to use the portion of the easement which is vacated by the relocation of the Phillipsdale Tap, there will have to be some arrangement between East Providence and Tockwotten for transfer of this easement. National Grid will also need appropriate easements or other rights from East Providence for the underground cable route through the waterfront park and into the transition station site.

4. Permitting. We have not done a detailed permitting analysis but I anticipate that there may be East Providence subdivision and zoning issues as well as EFSB and CRMC approvals necessary.

After you have reviewed this I am available to discuss it with you.

Sincerely,



Peter V. Lacouture

Cc: David J. Beron, P.E., P.M.P.
David Campilli, P.E.



The Narragansett Electric Company d/b/a National Grid
E-183 Transmission Line Project

Project Update and Strategy

I. Current status

- A. 2004 Settlement Agreement – approved by EFSB (attached)
- B. February 28, 2007 letter regarding revised estimate and municipal surcharge (attached)
- C. 2008 legislation — Amendment to Energy Facility Siting Act, § 42-98-1.1 (P.L. 2008, chs. 353 and 370)
 - 1. Authorizes National Grid to proceed with underground project “including the acquisition of any property rights ... subject to the passage of resolutions by both city councils of the cities of Providence and East Providence agreeing that any incremental costs above existing funding may be included in electric rates of electric customers in those cities.”
 - 2. Resolutions must be approved and delivered to the PUC by July 1, 2009
 - 3. Amendment authorizes National Grid “to include the incremental costs above [committed] funding levels in its distribution rate base and [to] reflect the revenue requirement in rates to the electric distribution customers within the cities of Providence and East Providence.”
 - 4. Rate adjustment for incremental costs “shall be made within six (6) months from project completion, applying the same ratemaking principles as ordinarily applied to distribution capital projects”
 - 5. Disposition of excess, newly acquired property: National Grid “shall transfer any remaining portions of [acquired] properties to the redevelopment authority of the city in which the property is located after the completion of the project, at the city's request and at no additional cost to the city.”
 - 6. Disposition of easements: “Any easements no longer being used by the company for utility purposes after the underground alignment is completed also shall be transferred to the city after the completion of the project, at the city's request and at no additional cost to the city.”
 - 7. Disputes to be resolved by the PUC
- D. Funding Resolutions adopted by city councils
 - 1. East Providence Resolution No. 25 (August 19, 2008)
 - 2. Providence Resolution No. 420 (November 17, 2008)

- II. Steps forward — Project Team meeting with parties
 - A. Parties – National Grid, Providence, East Providence, Rhode Island Attorney General, RIDOT and Tockwotten
 - B. Confirm underground route and project scope
 - 1. Drilling sites, landing sites and construction staging areas
 - a. Providence River
 - b. Seekonk River
 - 2. Route between rivers
 - a. Streets?
 - b. India Point Park?
 - 3. East Providence transition station site
 - C. Confirm funding commitments of \$14,475,000
 - 1. RIDOT - \$5,200,000:
 - a. Contribution from State matching funds - \$2,100,000
 - b. Contribution from Federal transportation enhancement funds - \$600,000.
 - c. “Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005” grant - \$2,500,000.
 - 2. Providence and East Providence — \$5,400,000 - Share of refunds from Narragansett rate settlement in PUC Docket Nos. 2930/3617
 - 3. Attorney General — \$2,000,000 Storm Fund Grant
 - 4. City of Providence/DEM — \$375,000 Greenway Grant to Providence
 - 5. Regional ratepayers — \$1,500,000 - regional contribution
 - 6. Shortfall to be paid by Providence and East Providence ratepayers pursuant to 2008 legislation
 - D. Providence River landing site
 - 1. Confirm availability
 - 2. Plans for acquisition/condemnation
 - 3. Timing of site acquisition — acquire option on parcel?
 - 4. Future use
- III. Steps forward — Draft and execute revised Settlement Agreement
 - A. Parties – as above (II-A)
 - B. Terms – from February 28, 2007 letter:
 - 1. Itemization and confirmation of funding sources and amounts
 - 2. January 1, 2007 project estimate will be updated as of the construction start date (*see section IV-B, below*).
 - 3. Just prior to commencing [construction of] the project, the Company will provide final cost estimates to the parties to the settlement, including final rate impacts.
 - 4. The project shall commence following affirmative action by city councils and mayors approving project construction estimate
 - 5. If the project costs (exclusive of land acquisition and AFUDC) do not exceed 125% of the final, updated estimate, the parties shall not challenge the

reasonableness of such costs before the PUC or in any other forum or request any review, directly or indirectly, by the PUC. If such costs exceed 125% of the estimate, the parties may challenge the reasonableness of costs at the PUC, but only under a gross negligence standard. In either event, however, the PUC does not lose its authority to review the project costs on its own under traditional prudence standards.

6. The amended Settlement Agreement will not be effective until it is approved (i) by the Providence and East Providence city councils and mayors and (ii) thereafter by the EFSB.
7. The provisions of the Settlement Agreement relating to rate recovery also must be approved by the PUC.

C. Other terms

1. Incorporate provisions of 2008 Energy Facility Siting Act amendment
2. Funding details (application of funds, timing, accounting, etc.)
3. If underground alignment is not approved by councils and mayors, National Grid will rebuild river crossings in current locations
4. Force majeure clause
5. Dispute resolution process

D. Obtain EFSB and PUC approval of revised Settlement Agreement

IV. Steps forward — Engineering and Permitting

- A. Perform utility research and engineering necessary to update estimate
- B. Prepare construction grade estimate
- C. Review and approval of estimate by Parties
- D. Commence detailed engineering
- E. Commence permitting (EFSB, DEM, CRMC, ACOE; municipalities?)

V. Steps forward — Implementation

- A. Acquire drilling landing site in Providence
- B. Acquire other easements and rights —
 1. Providence including underground easement (India Point Park)
 2. East Providence including landing site (park)
 3. Tockwotten including transition station site and transmission line easements
- C. Solicit material and installation bids for project
- D. Review project construction estimate based on bid results
- E. Obtain Providence and East Providence Council and mayors' approvals to proceed
- F. Construct underground line
- G. Remove overhead line and structures

January 16, 2009

Exhibit H

-----Original Message-----

From: Nicholas Ucci [mailto:NUcci@puc.state.ri.us]

Sent: Monday, March 07, 2011 2:28 PM

To: mmitchell@admin.ri.gov; jboyle@cityofeastprov.com; Rayna.santoro@dem.ri.gov; Kevin Flynn; mrusso@frlawri.com; wsmith@frlawri.com; Asouthgate@providenceri.com; Alan Nault; Cindy Wilson; Elia Germani; Nicholas Ucci; Patricia Lucarelli; Lacouture, Peter V.; dmacrae@riag.ri.gov; jhagopian@riag.ri.gov; LWold@riag.ri.gov; MCorey@riag.ri.gov; john spirito; steve scialabba; Thomas Kogut
Subject: EFSB 2003-1 Action Items from Status Conference

Good afternoon,

Based upon last week's status conference, I've identified the following action items:

- * The AG's office will draft and circulate to NGrid a joint petition on the use of storm funds within the next 30 days, which will be submitted to the Board.
- * NGrid will respond to Mr. Russo's concerns regarding how quickly work will begin in E. Providence (if agreement is in place) within 10 days.
- * Related to this, NGrid will produce an updated project construction schedule and submit to the Board. The timeline should explain which project components can be conducted concurrently, as well as the overall length, addressing Mr. Russo's questions.
- * Ms. Southgate has already checked on the status of the DEM/Greenway funds, which will be forwarded to you in a separate email momentarily.
- * Mr. Lacouture will revise and then circulate a draft funding agreement. Parties will have a couple of weeks to provide him with necessary edits. A final document will be complete within 30 days.
- * Once a final document is agreed upon, the cities will work to get their respective mayors to sign the agreement to help move the process forward (meanwhile, the agreement will start to work its way through city councils).
- * Mr. Lacouture agreed to find out how the settlement funds are divided between the two cities and provide details on interest accrued, etc.

Also, please note that we have agreed to reconvene for a status conference on April 27 @ 10:30am.

Thank you.

Nick Ucci

Principal Policy Analyst, RI Public Utilities Commission Coordinator, RI Energy Facility Siting Board

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 780-2106

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