In re: The Narragansett Electric Company : d/b/a National Grid :

E-183 115 kV Transmission Line : Docket No. SB-2003-01

Relocation Project :

The Narragansett Electric Company d/b/a National Grid's
Response to the
Energy Facility Siting Board's Data Requests of December 3, 2014

#### **DATA REQUEST NO. 1:**

Please list any coordinated steps that have been taken by National Grid and any other party to comply with Section IID and/or other sections of the Settlement Agreement.

#### **RESPONSE**:

See quarterly reports filed by National Grid and included in the response to Data Request No. 3.

In re: The Narragansett Electric Company :

d/b/a National Grid :

E-183 115 kV Transmission Line : Docket No. SB-2003-01

Relocation Project :

The Narragansett Electric Company d/b/a National Grid's
Response to the
Energy Facility Siting Board's Data Requests of December 3, 2014

#### DATA REQUEST NO. 2:

Please describe in detail how, when, and in what manner does National Grid intend to return the refund money and interest on such to its Providence and East Providence ratepayers should undergrounding of the transmission line not come to fruition.

#### **RESPONSE**:

National Grid would credit its customers in Providence and East Providence a per-kWh factor over a year. See attached Customer Credit Provision from Narragansett Electric Tariff R.I.P.U.C. No. 1185 (eff. November 1, 2004).

In re: The Narragansett Electric Company : d/b/a National Grid

E-183 115 kV Transmission Line : Docket No. SB-2003-01

Relocation Project :

The Narragansett Electric Company d/b/a National Grid's
Response to the
Energy Facility Siting Board's Data Requests of December 3, 2014

#### DATA REQUEST NO. 3:

Please provide copies of all quarterly reports prepared in compliance with Docket No. SB-2003-01, Order No. 54. If [no] reports are available, please commence reporting as required by the Order to the Energy Facility Siting Board forthwith.

#### **RESPONSE**:

Attached are copies of the following reports filed with the EFSB:

- Joint Report of The Narragansett Electric Company and the Rhode Island Attorney General, Patrick C. Lynch, to the Energy Facility Siting Board (February 15, 2005).
- Report of The Narragansett Electric Company to the Energy Facility Siting Board (April 15, 2005).
- Report of The Narragansett Electric Company to the Energy Facility Siting Board (July 14, 2005).
- Report of The Narragansett Electric Company to the Energy Facility Siting Board (October 14, 2005).
- Report of The Narragansett Electric Company to the Energy Facility Siting Board (January 12, 2006).
- Report of National Grid on the status of the Underground Relocation Pursuant to Settlement Agreement Dated May 25, 2004 (June 9, 2006).
- Report of The Narragansett Electric Company to the Energy Facility Siting Board (July 30, 2007).

In re: The Narragansett Electric Company :

d/b/a National Grid

E-183 115 kV Transmission Line : Docket No. SB-2003-01

Relocation Project :

The Narragansett Electric Company d/b/a National Grid's
Response to the
Energy Facility Siting Board's Data Request of December 3, 2014

#### DATA REQUEST NO. 4:

Please complete the following tables using 2014 dollars. If the numbers were not part of the estimate for the given year, please indicate "Not Calculated."

#### RESPONSE:

National Grid has completed the table, which requests a split of the 2004, 2007, and 2014 estimates into the categories which were provided for the 2014 estimate. All estimates are to rebuild the E183 115 kV overhead transmission line into an underground configuration from Franklin Square Substation in Providence, RI to a transition station on Mauran Avenue in East Providence, RI.

The EFSB has requested that the three estimates be presented in 2014 dollars. Each estimate represents a "snapshot," reflecting material, equipment, labor, and overhead costs at the time the estimate was prepared. Over time, not all project components will escalate at a consistent rate, and determining individual component escalation rates would be difficult. As such, we have some concern with escalating old estimates into 2014 dollars.

We have provided two tables in response. Table A reflects the cost estimates given in the dollars of the year that the estimate was created. Table B escalates the 2004 and 2007 values at a 3% rate from the time the estimate was created to 2014. National Grid has recently been using 3% as an escalation rate for electric transmission projects.

As indicated in the tables, some costs were not included in past estimates. This was noted at the time the estimates were presented.

Table A – Estimates in As-Estimated Year \$ (Thousands)

Total Project

	2004 Estimate	2007 Estimate	2014 Estimate
Total Cost	14,450	20,280	33,940
Tolerance (±%)	-10, +15	+/- 25	+/-25
Confidence interval (%)	Not Calculated	Not Calculated	Not Calculated

Underground

	Onderg	or Ourid	
	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor & Equipment	9,065	11,930	17,309
ROW/Land & Land	Not Calculated	1,300	1,900
Rights			
Engineering/Indirects	955	1,075	2,714
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	860	630
Contingency	1,450	1,415	4,329
Other	0	0	0
Total	11,470	16,580	26,882

## Overhead

0 / 0111000			
	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	945	1,000	2,830
Equipment			
ROW/Land & Land	Not Calculated	0	0
Rights			
Engineering/Indirects	65	100	367
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	70	0
Contingency	Not Calculated	Not Calculated	950
Other	0	0	0
Total	1,010	1,170	4,147

Table A (Continued) – Estimates in As-Estimated Year \$ (Thousands)

## Franklin Transition Station

	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	815	1,010	883
Equipment			
ROW/Land & Land	Not Calculated	0	0
Rights			
Engineering/Indirects	90	100	203
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	70	29
Contingency	65	80	107
Other	0	0	0
Total	970	1,260	1,222

East Providence (e.g., Mauran) Transition Station

	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	840	1,030	1,299
Equipment			
ROW/Land & Land	Not Calculated	0	0
Rights			
Engineering/Indirects	90	100	202
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	70	40
Contingency	70	70	148
Other	0	0	0
Total	1,000	1,270	1,689

Table B – Estimates in 2014 \$ (Thousands)<sup>1</sup>

**Total Project** 

	2004 Estimate	2007 Estimate	2014 Estimate
Total Cost	19,420	24,942	33,940
Tolerance (±%)	-10, +15	+/- 25	+/-25
Confidence interval (%)	Not Calculated	Not Calculated	Not Calculated

Underground

	Onderg	or Ourid	
	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	12,183	14,672	17,309
Equipment			
ROW/Land & Land	Not Calculated	1,599	1,900
Rights			
Engineering/Indirects	1,283	1,322	2,714
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	1,058	630
Contingency	1,950	1,740	4,329
Other	0	0	0
Total	15,416	20,391	26,882

## Overhead

	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	1,270	1,230	2,830
Equipment			
ROW/Land & Land	Not Calculated	0	0
Rights			
Engineering/Indirects	87	123	367
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	86	0
Contingency	Not Calculated	Not Calculated	950
Other	0	0	0
Total	1,357	1,439	4,147

<sup>&</sup>lt;sup>1</sup> Table A figures escalated at 3% rate.

**Table B (Continued)– Estimates in 2014 \$ (Thousands)** 

## Franklin Transition Station

	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	1,095	1,242	883
Equipment			
ROW/Land & Land	Not Calculated	0	0
Rights			
Engineering/Indirects	121	123	203
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	86	29
Contingency	88	98	107
Other	0	0	0
Total	1,304	1,549	1,222

East Providence (e.g., Mauran) Transition Station

	2004 Estimate	2007 Estimate	2014 Estimate
Material, Labor &	1,129	1,267	1,299
Equipment			
ROW/Land & Land	Not Calculated	0	0
Rights			
Engineering/Indirects	121	123	202
Escalation	Not Calculated	Not Calculated	Not Calculated
AFUDC	Not Calculated	86	40
Contingency	93	87	148
Other	0	0	0
Total	1343	1563	1,689

#### CERTIFICATE OF SERVICE

I hereby certify that a true copy of the within Responses was sent by e-mail to the following this the 18 day of December, 2014.

Department of Attorney General

150 South Main Street

Providence, RI 02903 <u>klyons@riag.ri.gov</u>

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National Grid <u>Celia.obrien@nationalgrid.com</u>

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RI Public Utilities Commission

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Amar Singh <u>amar@indiarestaurant.com</u>

## File an original and 5 copies:

Todd Bianco Siting Board Coordinator Energy Facility Siting Board 89 Jefferson Bouleveard Warwick, RI 02888 todd.bianco@puc.ri.gov

Patricia S. Lucarelli, Esq. Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888 patricia.lucarelli@puc.ri.gov

Margaret.curran@puc.ri.gov

/s/ Brenda Vucci

# THE NARRAGANSETT ELECTRIC COMPANY CUSTOMER CREDIT PROVISION

The Customer Credit Factor ("CCF") shall refund to customers all funds accumulated on the behalf of customers ("Customer Credit") pursuant to Section 11(A) of the Third Amended Stipulation and Settlement Agreement approved by the Rhode Island Public Utilities Commission ("Commission") in Docket No. 2930, in accordance with the adjustments and methodology set forth in the settlement filed by the Company and approved by the Commission in Docket No. 3617 (the "Current Rate Plan").

The Company shall estimate and adjust the Customer Credit for the period January 1, 2000 through December 31, 2004 as described in Section 7(C) of the Current Rate Plan. The Customer Credit shall be allocated to each of the Company's rate classes using a factor comprised of 50% of each class' base distribution revenues estimated for calendar year 2005 and 50% of each class' kilowatt-hour deliveries estimated for calendar year 2005. The factor for each class will be a cents-per-kilowatt-hour factor applicable to all kilowatt-hours delivered by the Company and will be applied to customer bills over a twelve-month period beginning for usage on and after November 1, 2004.

The estimated amounts included in the design of the CFF shall be reconciled to actual amounts in a report filed with the Commission by May 1, 2005. In addition, the amounts credited to customers pursuant to this provision shall be tracked by the Company and reconciled at the end of the twelve-month period to the actual amount reflected in the May 1, 2005 report. The result of this reconciliation shall be included in the Company's first annual reconciliation filing occurring after the expiration of the CCF. Any over or under recoveries of the Customer Credit will be allocated to customer classes using the methodology set forth in the prior paragraph and recovered from or returned to customers over the following twelve months in a Customer Credit adjustment factor.

Pursuant to the Commission Order in Docket No. 3551, all of some portion of the Customer Credit attributable to the U.S. Navy will be credited to the Company's revenues in calendar year 2004, and be subject to earnings sharing.

Under G.L. 42-98-1.1, the cities of Providence and East Providence ("Cities") have the option to waive the application of the CCF that would otherwise be applicable to the Company's customers in those communities for purposes of supporting the cost to underground the E-183 line in accordance with the settlement approved by the Energy Facilities Siting Board on May 28, 2004 in Docket SB-2003-1 ("E-183 Settlement"). In the event that one or both of the Cities elects the option under G.L. 42-98-1.1, the Company shall implement such election. In the event that: (i) the Company receives funding for the undergrounding from alternative sources; (ii) either City does not exercise the option under G.L 42-98-1.1; or (iii) the Company is unable to secure funding, permits, and the rights to land and easements as set forth in the E-183 Settlement, then the Company shall notify the Cities and shall implement that portion of the Customer

Credit not otherwise used to fund the undergrounding project for the Company's customers in those communities.

Modifications to the CCF shall be in accordance with a notice filed with the Commission setting forth the amount of the revised factor and the amount of the increase or decrease. The notice shall further specify the effective date of such charges.

Effective: November 1, 2004

#### Reports Filed with the EFSB – Attachment to EFSB Data Request No. 3 (12/3.14):

- 1. Joint Report of The Narragansett Electric Company and the Rhode Island Attorney General, Patrick C. Lynch, to the Energy Facility Siting Board (February 15, 2005).
- 2. Report of The Narragansett Electric Company to the Energy Facility Siting Board (April 15, 2005).
- 3. Report of The Narragansett Electric Company to the Energy Facility Siting Board (July 14, 2005).
- 4. Report of The Narragansett Electric Company to the Energy Facility Siting Board (October 14, 2005).
- 5. Report of The Narragansett Electric Company to the Energy Facility Siting Board (January 12, 2006).
- 6. Report of National Grid on the status of the Underground Relocation Pursuant to Settlement Agreement Dated May 25, 2004 (June 9, 2006).
- 7. Report of The Narragansett Electric Company to the Energy Facility Siting Board (July 30, 2007).

In re: The Narragansett Electric Company :

(E-183 115 kV Transmission Line : Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

Joint Report of the Narragansett Electric Company and the Rhode Island Attorney General, Patrick C. Lynch, to the Energy Facility Siting Board

#### Introduction

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence and Patrick C. Lynch, Rhode Island Attorney General.

Under the Settlement Agreement, Narragansett agreed to construct the relocated E-183 Transmission Line (the "E-183 Line") underground ("the Underground Alignment") if certain conditions specified in the Settlement Agreement could be met. The first step was for Narragansett to determine a route for the underground relocation of the E-183 Line in consultation with other parties. Thereafter, Narragansett would develop a design and construction grade estimate, the parties would consult as to necessary property rights and, on or before January 15, 2005, the Attorney General would provide evidence of commitments for sources of funding for the estimated cost of the Underground Alignment.

In the Report and Order, the EFSB required the parties to provide a quarterly report as to their progress under the Settlement Agreement commencing January 15, 2005 for the quarter ended December 31, 2004. Prior to January 15<sup>th</sup>, the parties agreed to a 6 month extension of the January 15<sup>th</sup> deadline for finalizing the funding for the Underground Alignment. On January 12,

Narragansett filed a Motion for Approval of Stipulation with the EFSB in which it provided a brief report on the progress in obtaining funding.

At its open meeting on January 14, the EFSB granted a 30 day extension but requested that the parties provide a more detailed report as to their progress under the Settlement Agreement and stated that it would consider a renewed request for the extension of time after the report was filed.

#### **Route and Technology Selection**

Narragansett has consulted with the parties as required by § II-D-1 of the Settlement

Agreement as to the route for the Underground Alignment. A major factor in finalizing the route
is the selection of a site for the transition station in East Providence. Narragansett and the City
of East Providence identified several potential sites and Narragansett has determined that
property owned by Tockwotton Home ("Tockwotton") south of Mauran Avenue and east of the
existing Phillipsdale Tap is the preferred site ("the Tockwotton site"). Narragansett is continuing
discussions with representatives of Tockwotton and East Providence to finalize the location.

Attached are two plans that show the proposed underground alignment as of November 15, 2004
and more detail about the Tockwotton site.

Narragansett has selected solid dielectric technology as the preferred cable technology for the Underground Alignment. The environmental, operational and economic advantages and disadvantages of several technologies were the subject of extensive testimony before both the EFSB and the PUC in these proceedings. Because there is little difference in the economics of the technologies and a substantial environmental advantage to solid dielectric technology, Narragansett has determined that solid dielectric is preferred over the alternative, high pressure fluid filled technology.

#### **Revised Cost Estimate**

As required by § II-D-2 of the Settlement Agreement, Narragansett provided to the parties a layout for the proposed Tockwotton transition site and an estimate for the cost of construction of the Underground Alignment including, as provided in the Settlement Agreement, the cost of construction and removal of Phase I which is the overhead relocation of the E-183 Line between the Providence and Seekonk Rivers. The estimate for the Underground Alignment using the Tockwotton transition site and solid dielectric technology is \$16.724 million, with a range of \$15.3 million to \$18.7 million. A summary of the estimate is attached to this report.

#### **Sources of Funding**

The Attorney General and other parties have been working on funding for the Underground Alignment as required by § II-D-4 of the Settlement Agreement. There have been several notable developments since the Settlement Agreement was signed, including the enactment by the Rhode Island General Assembly of the Capital City Underground Utility Initiative (P.L. 2004, Ch. 332.) This legislation added a new § 42-98-1.1 to the Siting Act and requires, inter alia, that the Cities of Providence and East Providence be allowed to direct their citizens' shares of the refund under § 11(c) of the Third Amendment Settlement Agreement in Docket No. 2930 to support the Underground Alignment. Both Cities have voted to approve such use of their refunds. The Capital City Underground Utility Initiative also requires Narragansett to apply to the regional grid operator "for approval to charge New England regional network service customers" for the cost of the comparable overhead construction. R.I.G.L. § 42-98-1.1(c).

Narragansett is presently preparing an application to ISO New England for such funding and expects to file the application this month. We expect the application to be first considered through the NEPOOL stakeholder advisory process commencing in early March. However,

Narragansett understands that it could take several months to receive a determination from ISO-NE with respect to the costs that would be allowed in regional rates. Finally, the Attorney General is in discussions with State and Federal officials seeking additional funding for the Underground Alignment.

The current status of the funding for the Underground Alignment using the Tockwotton transition site and solid dielectric technology is as follows:

Construction Grade Estimate for Underground Alignment: <sup>1</sup>	\$16,724,000
<b>Committed Revenue Sources:</b>	
RIDOT for Phase I Relocation	\$ 2,275,000
Contribution from Prov. and East Prov. <sup>2</sup>	\$ 4,716,879
Storm Fund Grant (§ 42-98-1.1(a)) <sup>3</sup>	\$ 2,000,000
Greenway Grant to Providence	\$ 375,000
<b>Total Committed Revenues</b>	\$9,366,879
Shortfall	\$7,357,121
Other Anticipated Revenue Sources:	
Additional RIDOT Contribution <sup>4</sup>	\$ 4,500,000
Regional Contribution <sup>5</sup>	\$ 3,775,000
<b>Total Other Anticipated Revenues</b> :	\$8,275,000
Shortfall – (excess)	(\$917,879)

The parties will continue to pursue additional funding for the Underground Alignment and respectfully request that the EFSB approve their stipulation extending the January 15, 2005 deadline for funding to July 15, 2005.

-

<sup>&</sup>lt;sup>1</sup> Estimate does not include cost of land and interests in land for line and transition station.

<sup>&</sup>lt;sup>2</sup> Dedication of the Cities' combined share of refunds from Narragansett Electric rate settlement in PUC Docket No. 2930.

<sup>&</sup>lt;sup>3</sup> Under R.I.G.L. § 42-98-1.1, the Attorney General may apply to the PUC for use of \$2 million from the Storm Contingency Fund.

<sup>&</sup>lt;sup>4</sup> Assumes that the \$4.5 million is in addition to the costs incurred by DOT for temporary relocation (estimated to be \$2.275M) in order to avoid a delay of the highway project. The \$4.5M is broken down as follows: \$2.5M (that DOT has consistently pledged towards UG); and an additional \$2M that the Governor's office stated would be available from unused GARVEE bond funds. AG Lynch has sought confirmation from the Governor concerning the latter \$2M in a letter dated January 5, 2005.

<sup>&</sup>lt;sup>5</sup> Represents the amount that National Grid will seek from regional ratepayers in its application to ISO-NE. (*Footnote continued on next page*)

Respectfully submitted,

The Narragansett Electric Company

By its Attorneys,

NIXON PEABODY LLP

/s/ Peter V. Lacouture

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500 Providence, Rhode Island 02903 (401) 454-1011 (866) 947-1235 (FAX)

February 15, 2005

(Footnote continued from previous page)

The amount is intended to reflect the value to the region from the construction of new PTF facilities assuming an overhead configuration using the "North Bridge Alignment" as provided in the Settlement Agreement.

#### **CERTIFICATE OF SERVICE**

I hereby certify that on the \_\_\_\_ day of February, 2005, I mailed or hand delivered a true copy of the within Joint Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq. Executive Counsel Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 49 Weybosset Street Providence, RI 02903

/s/ Krysten A. Callina

REC

RECEIVED

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS 3: 33 ENERGY-FACILITY SITING BOARD UBLIC UTILITIES COMMISSION

In re: The Narragansett Electric Company

(E-183 115 kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

# Report of the Narragansett Electric Company to the Energy Facility Siting Board

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence and Patrick C. Lynch, Rhode Island Attorney General (collectively the "Parties").

In the Report and Order the EFSB required the Parties to provide a quarterly report as to their progress under the Settlement Agreement "within 15 days of the end of each calendar quarter." Report and Order at 12.

Since the last report, the ISO Reliability Committee has considered Narragansett's request for regional funding of a portion of the Underground Alignment but has voted to recommend that the ISO only approve the inclusion of \$600,000 (the cost of the two river crossings) in regional rates. Subsequently, Narragansett has requested that the Reliability Committee seek input from the NEPOOL Participants Committee on the application and the Reliability Committee's recommendation. Narragansett expects that this will be considered by NEPOOL in early May with a final decision by ISO several months later.

In the meantime, Narragansett believes that the Attorney General continues discussions with State and Federal Officials seeking additional funding for the Underground Alignment.

Respectfully submitted,

The Narragansett Electric Company

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500

Providence, Rhode Island 02903

(401) 454-1011

(866) 947-1235 (FAX)

April 15, 2005

## **CERTIFICATE OF SERVICE**

I hereby certify that on the <u>15</u> day of April, 2005, I mailed or hand delivered a true copy of the within Joint Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq.
Executive Counsel
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 49 Weybosset Street Providence, RI 02903

Aunt Adall

ATTORNEYS AT LAW

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Peter V. Lacouture

Direct Dial: (401) 454-1011 Direct Fax: (866) 947-1235

E-Mail: placouture@nixonpeabody.com

July 14, 2005



#### VIA HAND DELIVERY

Mr. Douglas W. Hartley Director of Energy Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888

Re:

The Narragansett Electric Company

E-183 115 kV Transmission Line Relocation Project

EFSB Docket No. SB-2003-01

### Dear Doug:

I am enclosing an original and ten (10) copies of Narragansett's Quarterly Report to the EFSB as of June 30, 2005 as required by the October 29, 2004 order in this docket. I am also enclosing an original and ten (10) copies of Narragansett's motion seeking approval of a stipulation among the parties extending the July 15<sup>th</sup> deadline in § II-D-4 of the Settlement Agreement, as amended, to October 31, 2005.

Please acknowledge receipt on the enclosed copies of the Report, Motion and this letter and return them to me via my messenger. If you have any questions, please call.

Sincerely,

Peter V. Lacouture

PVL/stg Enclosures

cc:

Elia Germani, Esq.

Robert K. Griffith, Ph.D.

Mr. Michael W. Sullivan, Director

Steven Frias, Esq. W. Mark Russo, Esq. Paul J. Roberti, Esq.

Adrienne G. Southgate, Esq.

P125579.1

In re: The Narragansett Electric Company :

(E-183 115 kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

# Report of the Narragansett Electric Company to the Energy Facility Siting Board

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence and Patrick C. Lynch, Rhode Island Attorney General (collectively the "Parties").

In the Report and Order the EFSB required the Parties to provide a quarterly report as to their progress under the Settlement Agreement "within 15 days of the end of each calendar quarter." Report and Order at 12.

Since the April 15, 2005 report, the ISO Reliability Committee considered Narragansett's request for regional funding of a portion of the Underground Alignment but voted to recommend that the ISO only approve the inclusion of \$600,000 (the cost of replacing the two river crossings in their current locations) in regional rates. Subsequently, Narragansett requested that the Reliability Committee seek input from the NEPOOL Participants Committee on the application and the Reliability Committee's recommendation. Following such input, the Reliability Committee has reconsidered its previous vote and has recommended the inclusion of \$1.5 million in regional rates, representing the cost of the river crossings using the North Bridge Alignment. Narragansett expects a final decision by ISO within the next month or so.

In the meantime, the Attorney General continues discussions with Federal officials seeking additional funding for the Underground Alignment.

The current status of the funding for the Underground Alignment using the Tockwotton transition site and solid dielectric technology is as follows:

Construction Grade Estimate for Underground Alignment: <sup>1</sup>	\$16,724,000
Committed Revenue Sources:	
RIDOT for Phase I Relocation	\$ 2,275,000
Contribution from Prov. and East Prov. <sup>2</sup>	\$ 5,400,000
Storm Fund Grant (§ 42-98-1.1(a)) <sup>3</sup>	\$ 2,000,000
Greenway Grant to Providence	\$ 375,000
<b>Total Committed Revenues</b>	\$10,050,000
Shortfall	\$ 6,674,000
Other Anticipated Revenue Sources:	
Additional RIDOT Contribution	\$ 2,500,000
Regional Contribution <sup>4</sup>	\$ 1,500,000
Federal Grant (applied for)	\$ 2,500,000
Total Other Anticipated Revenues:	<u>\$ 6,500,000</u>
Shortfall – (excess)	\$ 174,000

The parties will continue to pursue additional funding for the Underground Alignment and respectfully request that the EFSB approve their stipulation extending the July 15, 2005 deadline for funding to October 31, 2005.

<sup>&</sup>lt;sup>1</sup> Estimate does not include cost of land and interests in land for line and transition station.

<sup>&</sup>lt;sup>2</sup> Allocation of the Cities' combined share of refunds from Narragansett rate settlement in PUC Docket Nos. 2930/3617; amount adjusted to reflect updated estimate of customer credit reconciliation. (See May 2, 2005 filing in Docket No. 3617.)

<sup>&</sup>lt;sup>3</sup> Under R.I.G.L. § 42-98-1.1, the Attorney General may apply to the PUC for use of \$2 million from the Storm Contingency Fund.

<sup>&</sup>lt;sup>4</sup> Represents the amount that 150-NE Reliability Committee has recommended be included in regional rates.

Respectfully submitted,

The Narragansett Electric Company

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500

Providence, Rhode Island 02903

(401) 454-1011

(866) 947-1235 (FAX)

July 14, 2005

#### **CERTIFICATE OF SERVICE**

I hereby certify that on the \( \frac{14+}{14} \) day of July, 2005, I mailed or hand delivered a true copy of the within Joint Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq.
Executive Counsel
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 49 Weybosset Street Providence, RI 02903

Jupt Hallina

In re: The Narragansett Electric Company :

(E-183 115 kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

The Narragansett Electric Company's Motion for Approval of Stipulation

The Narragansett Electric Company ("Narragansett") hereby moves that the Energy Facility Siting Board ("EFSB") approve the attached stipulation among Narragansett, the Rhode Island Attorney General, Patrick C. Lynch (the "Attorney General,") and the Cities of Providence and East Providence extending to October 31, 2005 the deadline for funding the underground alternative.

Under § II-D of the Settlement Agreement the parties agreed on a schedule of milestones for the design, financing, acquisition of property for and construction of the underground alignment of the E-183 line. In the meantime, Narragansett has commenced construction of the Phase I overhead relocation so that it will be completed and the existing line removed in time to accommodate the RIDOT schedule for the relocation of I-195.

In § II-D-4 of the Settlement Agreement, the Attorney General is required to provide "evidence of commitments for sources of funding for the estimated cost of the Underground Alignment" by January 15th. By Order No. 54-A dated April 19, 2005, the EFSB approved the agreement among the parties to extend this deadline to July 15, 2005. As noted previously,

funding for the project is dependent on regional support for the project pursuant to § 42-98-1.1(c) of the Rhode Island General Laws. Narragansett has filed an application with ISO New England, Inc. ("ISO-NE") and NEPOOL and, after an initial setback, appears to have support for funding of \$1.5 million of the cost of underground construction through regional rates. At the same time, the Attorney General is pursing federal funding for some of the cost of the project.

As a result, the parties have agreed to an extension of time through October 31 in order to pursue resolution of the funding requirements and respectfully request the EFSB's approval of their stipulation.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188)

One Citizens Plaza, Suite 500

Providence, RI 02903

(401) 454-1011

(866) 947-1235 (FAX)

July 14, 2005

#### **CERTIFICATE OF SERVICE**

I hereby certify that on the 14th day of July, 2005, I mailed or hand delivered a true copy of the within Motion and attached Stipulation to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq. Executive Counsel Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 49 Weybosset Street Providence, RI 02903

Jupt Callina

In re: The Narragansett Electric Company

(E-183 115kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

#### STIPULATION EXTENDING DEADLINE

The Rhode Island Attorney General, Patrick C. Lynch ("Attorney General"), the Cities of Providence and East Providence and The Narragansett Electric Company ("Narragansett") hereby agree to extend the deadline provided in § II-D-4 of the Settlement Agreement dated May 25, 2004 in the above matter from July 15, 2005 to October 31, 2005. This extension will allow time for Narragansett to pursue its application with ISO New England, Inc. ("ISO-NE") for regional support of the project pursuant to Rhode Island General Law § 42-98-1.1(c) and for the Attorney General to pursue federal funding for a portion of the project. The parties agree to negotiate and revise other relevant deadlines upon receipt of a final decision on regional funding from ISO-NE.

Rhode Island Attorney General

Patrick C. Lynch By his Attorneys,

Paul J. Roberti (#4447)

Assistant Attorney General

150 South Main Street Providence, RI 02903

(401) 274-4400 x 2231

The Narragansett Electric Company

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188)

One Citizens Plaza, Suite 500

Providence, Rhode Island 02903

(401) 454-1011

(866) 947-1235 (FAX)

THE CITY OF EAST PROVIDENCE By its Attorneys,

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

July 14, 2005

ATTORNEYS AT LAW

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Peter V. Lacouture

Direct Dial: (401) 454-1011 Direct Fax: (866) 947-1235

E-Mail: placouture@nixonpeabody.com

October 14, 2005

2005 QCT 14 AM II: 56

#### VIA HAND DELIVERY

Mr. Douglas W. Hartley Director of Energy Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888

Re: The Narragansett Electric Company

E-183 115 kV Transmission Line Relocation Project

EFSB Docket No. SB-2003-01

#### Dear Doug:

I am enclosing an original and ten (10) copies of Narragansett's Quarterly Report to the EFSB as of September 30, 2005 as required by the October 29, 2004 order in this docket.

Please acknowledge receipt on the enclosed copies of the Report and this letter and return them to me via my messenger. If you have any questions, please call.

Sincerely,

Peter V. Lacouture

PVL/kac

Enclosures

cc: Elia Germani, Esq.

Robert K. Griffith, Ph.D.

Mr. Michael W. Sullivan, Director

Steven Frias, Esq. W. Mark Russo, Esq. Paul J. Roberti, Esq.

Adrienne G. Southgate, Esq.

In re: The Narragansett Electric Company (E-183 115 kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

## Report of the Narragansett Electric Company to the Energy Facility Siting Board

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence and Patrick C. Lynch, Rhode Island Attorney General (collectively the "Parties").

In the Report and Order the EFSB required the Parties to provide a quarterly report as to their progress under the Settlement Agreement "within 15 days of the end of each calendar quarter." Report and Order at 12.

In the July, 2005 report to the EFSB, we reported that the ISO Reliability Committee had considered Narragansett's request for regional funding of a portion of the Underground Alignment but voted to recommend that the ISO only approve the inclusion of \$600,000 (the cost of replacing the two river crossings in their current locations) in regional rates. Subsequently, Narragansett requested that the Reliability Committee seek input from the NEPOOL Participants Committee on the application and the Reliability Committee's recommendation. Following such input, the Reliability Committee reconsidered its previous vote and recommended the inclusion of \$1.5 million in regional rates, representing the cost of the river crossings using the North Bridge Alignment. Narragansett expects a final decision by ISO within the next month or so.

In the meantime, Senator Chafee has announced that \$2.5 million in federal funding for the Project was included in the "Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005."

The parties will continue to pursue approval of regional funding for the Underground Alignment from ISO and respectfully request that the EFSB approve their stipulation extending the October 31, 2005 deadline for funding to January 31, 2006.

Respectfully submitted,

The Narragansett Electric Company

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500 Providence, Rhode Island 02903

(401) 454-1011

(866) 947-1235 (FAX)

October 14, 2005

# **CERTIFICATE OF SERVICE**

I hereby certify that on the  $\frac{\int \mathcal{L} \int_{-\infty}^{+\infty} day}{day}$  of October, 2005, I mailed or hand delivered a true copy of the within Joint Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq.
Senior Asst. City Solicitor
City of Providence
Department of Law
275 Westminster Street

Providence, Rhode Island 02903

Steven Frias, Esq. Executive Counsel Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 49 Weybosset Street Providence, RI 02903

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Peter V. Lacouture

Direct Dial: (401) 454-1011 Direct Fax: (866) 947-1235

E-Mail: placouture@nixonpeabody.com

January 12, 2006

# VIA HAND DELIVERY

Mr. Douglas W. Hartley Director of Energy Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888

Re:

The Narragansett Electric Company

E-183 115 kV Transmission Line Relocation Project

EFSB Docket No. SB-2003-01

# Dear Doug:

I am enclosing an original and ten (10) copies of Narragansett's Quarterly Report to the EFSB as of December 31, 2005 as required by the October 29, 2004 order in this docket.

Please acknowledge receipt on the enclosed copies of the Report and this letter and return them to me via my messenger. If you have any questions, please call.

Sincerely.

Peter V. Lacouture

PVL/kac Enclosures

cc:

Elia Germani, Esq.

Mr. Kevin M. Flynn

Mr. Michael W. Sullivan, Director

Steven Frias, Esq. W. Mark Russo, Esq. Paul J. Roberti, Esq.

Adrienne G. Southgate, Esq.



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

In re: The Narragansett Electric Company

(E-183 115 kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

# Report of the Narragansett Electric Company to the Energy Facility Siting Board

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence and Patrick C. Lynch, Rhode Island Attorney General (collectively the "Parties").

In the Report and Order the EFSB required the Parties to provide a quarterly report as to their progress under the Settlement Agreement "within 15 days of the end of each calendar quarter." Report and Order at 12.

In the October, 2005 report, we reported that the ISO Reliability Committee had recommended the inclusion of \$1.5 million in regional rates, representing the cost of the river crossings using the North Bridge Alignment. At the time, we expected a final decision by 180 within a month or so. The final approval has not been issued but is expected shortly.

In the meantime, the parties have agreed on a site for the East Providence transition station and Narragansett is working with the City of Providence on real estate issues.

Respectfully submitted,

The Narragansett Electric Company

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500 Providence, Rhode Island 02903

(401) 454-1011

(866) 947-1235 (FAX)

January 12, 2005

# CERTIFICATE OF SERVICE

I hereby certify that on the 12 day of January, 2006, I mailed or hand delivered a true copy of the within Joint Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq. Executive Counsel Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 49 Weybosset Street Providence, RI 02903 ATTORNEYS AT LAW

Suite 500 One Citizens Plaza Providence, Rhode Island 02903-1345 (401) 454-1000

Peter V. Lacouture

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E-Mail: placouture@nixonpeabody.com

June 9, 2006

# VIA HAND DELIVERY & EMAIL

Mr. Douglas W. Hartley, Coordinator Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888

Re:

The Narragansett Electric Company

(E-183 Transmission Line Relocation Project-A/C I-195 Relocation

Docket No. SB-2003-01

Dear Mr. Hartley:

As we indicated in our June 5 letter, enclosed please find the Report of National Grid on the Status of the above-referenced project.

Sincerely

Please do not hesitate to contact me if you have any questions.

Peter V. Lacouture

PVL/ljo

Enclosure

cc: Chairman Elia Germani, Esq. (via Hand Delivery)

Director Michael Sullivan (via Hand Delivery)

Mr. Kevin Flynn (via Hand Delivery)

Stephen Frias, Esq. (via Hand Delivery)

Paul J. Roberti, Esq. (via First Class Mail and Email)

Adrienne C. Southgate, Esq. (via First Class Mail and Email)

W. Mark Russo, Esq. (via First Class Mail and Email)

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

In re: The Narragansett Electric Company

(E-183 115 kV Transmission Line

Relocation Project – A/C I-195 Relocation):

Docket No. SB-2003-01



# REPORT OF NATIONAL GRID ON THE STATUS OF THE UNDERGROUND RELOCATION PURSUANT TO SETTLEMENT AGREEMENT DATED MAY 25, 2004

# INTRODUCTION

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence (the "Cities") and Patrick C. Lynch, Rhode Island Attorney General.

Under the Settlement Agreement, Narragansett agreed to construct the relocated E-183 Transmission Line (the "E-183 Line") underground ("the Underground Alignment") if certain conditions specified in the Settlement Agreement could be met. The first step was for Narragansett to determine a route for the underground relocation of the E-183 Line in consultation with other parties. Thereafter, Narragansett would develop a design and construction grade estimate, the parties would consult as to necessary property rights and the Attorney General would obtain commitments of funding for the estimated cost of the Underground Alignment.

The purpose of this Report is to update the EFSB on the status of the efforts by National Grid and the parties to fund, design and construct the Underground Alignment.

# **FUNDING**

The Attorney General and other parties have obtained the funding from a variety of sources to construct the Underground Alignment. The parties are negotiating a Cooperative Funding Agreement to confirm the sources and application of the funds. Because of questions regarding the Cooperative Funding Agreement by several of the parties, resolution of it will depend on resolution of the engineering assessment discussed below.

## PROPERTY RIGHTS

Section II-D of the Settlement Agreement obligates the Cities to provide the property rights required for the Underground Alignment. In its November 15, 2004 report to the parties, Narragansett advised that because of obstructions on the east side of the Providence River, a realignment of the proposed underground crossing of the Providence River would be necessary. Subsequently, Narragansett met with representatives of the City of Providence to discuss the acquisition by the City of property located north of Tockwotton Street, between South Water and South Main. This property was identified by Narragansett for the landing of the horizontal directional drilling ("HDD") operation and installation of underground cables. Because of concerns on the part of the City of Providence about the feasibility of acquiring the identified property, Narragansett has undertaken an engineering review to determine if there are other feasible, practical routes for the underground cable crossing of the Providence River. The status of this assessment is discussed below.

The other property rights issue relates to the relocation of the Phillipsdale tap line and acquisition of a transition station site on the east side of the Seekonk River. Narragansett has reached an agreement in principle with the City of East Providence and the property owner as to a site for the transition station. As part of this transaction, Narragansett is willing to release to the owner of the subject property the existing E-183 mainline easement after the Underground

Alignment is constructed and operational and the existing overhead river crossing is removed.

Narragansett has recently obtained an appraisal of the value of its easements on this property

(only one of which would be released), and has entered into negotiations with the property

owner as to the price for the release of the easement.

## ENGINEERING ASSESSMENT

As indicated above, Narragansett has commissioned an engineering assessment of the feasibility of alternative HDD crossings of the Providence River. The work is being done by two consultants, Power Delivery Consultants, Inc. ("PDC") and J.D. Hair. David M. Campilii's report based on his late May discussions with them is as follows:

PDC/J. D. Hair are examining 4 routing alignments between the Point Street Bridge and the Hurricane Barrier and have some preliminary assessments:

- a) HDD landing just south of the Point Street Bridge (landing on Wickenden Street)This is unlikely to work due to the density of existing utilities in the ground.
- b) HDD landing in the vicinity of the Hot Club This is unlikely to work due to available width of land between buildings, alignment issues with existing buildings, and inadequate room to string out pipe for pullback operation (installation.)
- c) As-proposed alignment Examining refinements to try to burden less of the property north of Tockwotton Street.
- d) Alignment under relocated I-195 (Manchester Street all the way to India Point Park) We are examining this route for feasibility, cable pulling constraints and cost. Because of existing buildings and highway pilings, this alignment would also cross under the property north of Tockwotton Street. However, it might address RIDOT and City of Providence concerns about traffic maintenance issues.

At the present time, it does not appear that Narragansett will be able to avoid the property north of Tockwotton Street, unless significant route deviations are explored. These are likely to raise the cost of the Project. PDC/J. D. Hair expect to complete their report by mid-June.

Narragansett will arrange a meeting with the parties to discuss the results of the engineering assessment after it is completed.

CONCLUSION

The Underground Alignment of the existing E-183 Line from the Franklin Square Substation to the Phillipsdale tap point is a complex undertaking and, as indicated above, Narragansett is making progress on the project. Narragansett will meet with the parties in the near future to discuss the engineering assessment and seek to resolve the issue with the landing site on the east side of the Providence River. It will also continue its negotiations with the

landowner on the east side of the Seekonk River.

If the EFSB desires, Narragansett will provide semi-annual (or more frequent) status reports as to its progress on this project.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500

Providence, RI 02903

(401) 454-1011

(866) 947-1235 (FAX)

June 9, 2006

## **CERTIFICATE OF SERVICE**

I hereby certify that on the 9th day of June, 2006, I mailed or hand delivered a true copy of the within Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq. Executive Counsel Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 55 Pine Street, 4<sup>th</sup> Floor Providence, RI 02903

Laura Ctyl



#### Suite 500 One Citizens Plaza Providence, Rhode Island 02903-1345 (401) 454-1000

Peter V. Lacouture

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E-Mail: placouture@nixonpeabody.com

July 30, 2007

# VIA HAND DELIVERY

Mr. Douglas W. Hartley, Coordinator Energy Facility Siting Board 89 Jefferson Boulevard Warwick, RI 02888

Re: The Narragansett Electric Company

(E-183 Transmission Line Relocation Project-A/C I-195 Relocation)

Docket No. SB-2003-01

Dear Mr. Hartley:

Enclosed please find a report of National Grid on the status of the above-referenced project.

Please do not hesitate to contact me if you have any questions.

14

Sincerely.

Peter V. Lacouture

PVL/ljo Enclosure

cc: Chairman Elia Germani, Esq.

Director Michael Sullivan

Mr. Kevin Flynn Stephen Frias, Esq. Paul J. Roberti, Esq.

Adrienne C. Southgate, Esq.

W. Mark Russo, Esq.

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

In re: The Narragansett Electric Company

(E-183 115 kV Transmission Line

Docket No. SB-2003-01

Relocation Project – A/C I-195 Relocation):

REPORT OF NATIONAL GRID ON THE
STATUS OF THE UNDERGROUND RELOCATION
PURSUANT TO SETTLEMENT AGREEMENT DATED MAY 25, 2004

## **INTRODUCTION**

On October 29, 2004, the Energy Facility Siting Board ("EFSB") issued its report and order ("Report and Order") approving the May 25, 2004 Settlement Agreement (the "Settlement Agreement") among The Narragansett Electric Company ("Narragansett"), the Cities of Providence and East Providence (the "Cities") and Patrick C. Lynch, Rhode Island Attorney General.

Under the Settlement Agreement, Narragansett agreed to construct the relocated E-183 Transmission Line (the "E-183 Line") underground ("the Underground Alignment") if certain conditions specified in the Settlement Agreement could be met. The first step was for Narragansett to determine a route for the underground relocation of the E-183 Line in consultation with other parties. Thereafter, Narragansett would develop a design and construction grade estimate, the parties would consult as to necessary property rights and the Attorney General would obtain commitments of funding for the estimated cost of the Underground Alignment.

The purpose of this Report is to update the EFSB on the status of the ongoing efforts by National Grid and the parties to fund, design and construct the Underground Alignment.

#### **RECENT DEVELOPMENTS**

Since our last report, the parties have met a number of times to address outstanding property, routing and funding issues. The first issue was a concern on the part of the City of Providence as to the impact of the Project on an undeveloped parcel at the corner of South Main Street and Tockwotton Street (the "South Main Parcel.")

In response, Narragansett's horizontal directional drilling ("HDD") consultants performed a more detailed study of the proposed Providence River crossing, and at a meeting with all of the parties, explained the HDD process and presented the results of their study. The results indicated that a portion of the South Main Parcel would be required for landing of the underground installation and as permanent easement for the continuation of the underground cables to the east.

At the request of Providence, Narragansett engineers and consultants studied a number of other underground routes that would avoid impacting the South Main Parcel. These routes, which included minor variations on the proposed route and several substantially different routes, were determined either to be infeasible or substantially more expensive than the proposed route.

As part of the examination of the new routes, Narragansett prepared an updated estimate of the cost of the original route and determined that the estimated cost had increased by approximately \$5.8 million, including an estimated \$1.3 million for acquisition of the South Main Parcel.

Since a series of meetings in the spring, the parties have been exploring other sources and means of funding the underground construction. The Attorney General has sought funding

<sup>&</sup>lt;sup>1</sup> Section II-D of the Settlement Agreement obligates the Cities to provide the property rights required for the Underground Alignment. Narragansett has discussed with representatives of Providence the acquisition by the City of the South Main Parcel. Because of the inability of the City of Providence to acquire this property, the Parties anticipate that Narragansett will acquire it and include the cost as a project cost.

through the federal budget process and anticipates that any action will occur late this year. In the meantime, with the agreement of the parties, Narragansett is not conducting further engineering pending resolution of the funding issue.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY

By its Attorneys,

NIXON PEABODY LLP

Peter V. Lacouture (#1188) One Citizens Plaza, Suite 500

Providence, RI 02903

(401) 454-1011

(866) 947-1235 (FAX)

July 30, 2007

# **CERTIFICATE OF SERVICE**

I hereby certify that on the 30th day of July, 2007, I mailed or hand delivered a true copy of the within Report to the following:

Paul J. Roberti, Esq. Assistant Attorney General Office of the Attorney General 150 South Main Street Providence, RI 02903

Mr. Douglas Hartley Director of Energy EFSB/RIPUC 89 Jefferson Boulevard Warwick, RI 02888

Adrienne G. Southgate, Esq. Senior Asst. City Solicitor City of Providence Department of Law 275 Westminster Street Providence, Rhode Island 02903 Steven Frias, Esq. Executive Counsel Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

W. Mark Russo, Esq. Ferrucci Russo P.C. 55 Pine Street, 4<sup>th</sup> Floor Providence, RI 02903

\_ Laura Otyl