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VIA HAND DELIVERY

June 29, 2010

Mr. Nick Ucci
Principal Policy Associate
Energy Facility Siting Board
89 Jefferson Boulevard
Warwick, RI 02888

Re: **Docket No. SB-2008-02**
In re: The Narragansett Electric Company d/b/a National Grid
(Rhode Island Reliability Project)

Dear Nick:

Enclosed please find the original and six (6) copies of the Settlement Stipulation between the Town of Johnston and National Grid in the above-referenced matter.

Please call if you have any questions.

Sincerely,



Peter V. Lacouture

PVL/lgo
Enclosure

CC: Elia Germani, Esq. (via Hand Delivery)
Mr. Kevin Flynn (via Hand Delivery)
W. Michael Sullivan, Ph.D. (via Hand Delivery)
Patricia S. Lucarelli, Esq. (via Hand Delivery)
Service List (via Electronic Mail)



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

In re The Narragansett Electric Company :
d/b/a National Grid :
(Rhode Island Reliability Project) :

Docket No. SB-2008-02

SETTLEMENT STIPULATION

This Settlement Stipulation is entered into and jointly submitted by The Narragansett Electric Company d/b/a National Grid (“National Grid”) and the Town of Johnston (“Town”) (collectively the “Parties”) to the Energy Facility Siting Board (“EFSB” or “Board”) for approval in the above proceeding under the following circumstances:

i. National Grid has submitted an application for license to construct and/or alter a major energy facility within the State of Rhode Island pursuant to the applicable provisions of R.I. Gen. Laws §§42-98-1 *et seq.* and the Board’s Rules of Practice and Procedure, as amended (the “Board Rules”).

ii. National Grid has requested the issuance by the Board of a license for the Rhode Island Reliability Project including the following components (collectively the “Project”):

- Two existing 115 kV transmission lines (S-171 and T-172) in National Grid’s existing ROW between West Farnum Substation in North Smithfield and the vicinity of the Kent County Substation in Warwick will be relocated and reconstructed (a distance of approximately 20.0 miles for each line).
- A new 345 kV transmission line (359 Line) will be constructed between the West Farnum Substation and the Kent County Substation in the space on the existing ROW created by relocation of the two existing 115 kV transmission lines (a distance of approximately 21.4 miles).
- Equipment will be installed at Kent County Substation in Warwick to accommodate the new 345 kV transmission line.
- Equipment will be installed at West Farnum Substation in North Smithfield to accommodate the new 345 kV transmission line.

- Sections of the existing S-171 and T-172 115 kV transmission lines between Hartford Avenue Substation in Johnston and the Johnston Tap Point will be reconducted coincident with the reconstruction of the lines (a distance of approximately 1.3 miles for each line).
 - The G-185N 115 kV transmission line will be reconducted from Kent County Substation to Drumrock Substation in Warwick (a distance of approximately 1.0 mile).
 - Short segments of the H-17 and B-23 115 kV transmission lines and the 332 and 315 345 kV transmission lines will be relocated in the vicinity of West Farnum Substation to accommodate the new 345 kV line and work within the substation.
 - Short segments of the L-190 and G-185S 115 kV transmission lines will be relocated to accommodate the equipment additions at the Kent County Substation (a distance of approximately 0.2 miles for each line).
- iii. The Town has intervened as a party and participated in the EFSB proceedings on the Project;
- iv. On September 4, 2009, the Johnston Zoning and Planning Boards (the “Town Boards”) issued a joint advisory opinion to the EFSB (“Advisory Opinion”) on the Project;
- v. In the Advisory Opinion, the Town Boards denied National Grid’s application for a Special Use Permit and Dimensional and Use Variances for the Project;
- vi. The Town Boards recommended that the EFSB require that National Grid refile its application with the Town Boards to provide additional information;
- vii. The Town Boards provided a list of 20 “Proposed Limiting Conditions” with their Advisory Opinion and urged the EFSB to impose such conditions on National Grid if the EFSB granted National Grid’s application;
- viii. On June 18, 2010, the Town filed its post-hearing brief (“Town Brief”) in this matter with the EFSB; and
- ix. National Grid and Johnston have met and discussed the Project in an effort to resolve their differences.

In consideration of the mutual agreements contained herein and in the Settlement Agreement between National Grid and the Town, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. National Grid and Johnston agree to the following conditions related to the construction of that portion of the Project in Johnston:

a. National Grid will designate an employee to act as an ombudsman to be contacted by Town residents and officials with any questions related to the Project or the ROW during construction of the Project.

b. National Grid will obtain all necessary permits before starting construction of the Project.

c. National Grid will provide to the Town copies of any future permit applications for town-related Project permits within Five (5) days of submittal of such permit applications.

d. The Town Building Official and other approved Town representatives may inspect the Project site for conformance with permits issued by the Town of Johnston upon not less than Three (3) business days' notice, with a National Grid escort and subject to the use of appropriate personal protective equipment (PPE).

e. National Grid will consult with the Johnston Director of Public Works in preparing traffic control plans for Project locations within Johnston.

f. National Grid will e-mail Project construction updates every Two (2) weeks during the construction of the Project to Town officials and other interested residents of Johnston who provide a contact e-mail address.

g. Noise will be mitigated during construction of the Project as described in ER, Section 8.11.4.

h. National Grid will dispose of any solid waste or other debris generated as a result of the Project at approved disposal facilities.

i. National Grid does not plan to install permanent lighting on the ROW in connection with the Project. Lighting is used in the event of night construction at a highway crossing, during emergency restoration of facilities and during extended construction hours. Any such work will be coordinated with appropriate state and town officials.

j. National Grid shall provide the Town with copies of the "T-Sheets" for the ROW.

2. Except as specifically provided herein, the "Proposed Limiting Conditions" which were attached to the Advisory Opinion are hereby withdrawn.

3. The Town withdraws its objection before the EFSB to the Project and withdraws the Advisory Opinion and the Town Brief.

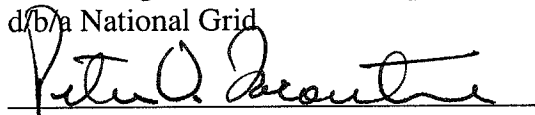
4. This Settlement Stipulation is the product of settlement negotiations. The substance of those negotiations is privileged and all offers of settlement shall be without prejudice to the position of any party.

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

6. Other than as expressly stated herein, this Settlement establishes no principles and shall not be deemed to foreclose any Party from making any contention in any other proceeding.

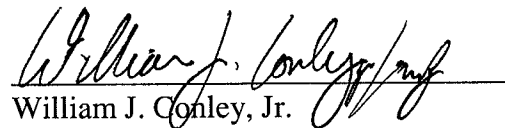
Respectfully submitted,

The Narragansett Electric Company
d/b/a National Grid

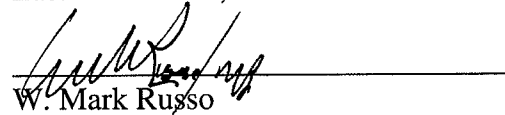


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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the within Settlement Stipulation was served via e-mail to all individuals listed on the attached service list on this 29th day of June, 2010.

Laura Chyl

**SB-2008-2 Narragansett Electric Co. – RI Reliability Project Application
Service List as of 04/19/10**

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