

November 27, 2013

**BY OVERNIGHT MAIL & ELECTRONIC MAIL**

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

**RE: The Narragansett Electric Company d/b/a National Grid  
Tariff Advice Filing for Customer-Owned Street & Area Lighting Proposal  
Docket No. 4442**

Dear Ms. Massaro:

The Narragansett Electric Company d/b/a National Grid ("National Grid") is submitting the enclosed letter in further support of its opposition to the Rhode Island League of Cities and Towns and the Washington County Regional Planning Council's Motion to Compel dated November 7, 2013. Specifically, National Grid offers the attached letter as persuasive authority to support its position that the closing documents (Agreement of Sale and License Agreements) it has filed in this docket in response to data requests are outside the scope of this proceeding. National Grid understands that the Commission will address this issue at the hearing on December 3.

Thank you for your attention to this matter. If you have any questions regarding this filing, please contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4442 Service List  
Thomas Ahern, Administrator  
Leo Wold, Esq.  
Steve Scialabba, Division

# Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Copies of this filing will be hand delivered to the RI Public Utilities Commission and the RI Division of Public Utilities and Carriers.



Thomas Teehan, Esq.

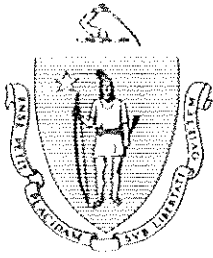
November 27, 2013

Date

## Docket No. 4442 - National Grid – LED Tariff Advice Filing Service List updated 10/2/13

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November 14, 2013

The Honorable Jennifer Benson  
State Representative  
37<sup>th</sup> Middlesex District  
State House – Room 236  
Boston, MA 02133

The Honorable James Eldridge  
State Senator  
Middlesex and Worcester District  
State House – Room 413-A  
Boston, MA 02133

**Re: Town of Shirley – Purchase of Streetlights from National Grid**

Dear Representative Benson and Senator Eldridge:

I am writing in response to your letter of September 24, 2013 to the Department raising questions in connection with the Town of Shirley's ("Town") purchase from National Grid (Massachusetts Electric Company) of the streetlights located in the Town. As an initial matter, I apologize for the delay in responding to your letter. Department staff had been informally following the negotiations between the Town and National Grid, and we understand that the parties have reached an agreement for the purchase and sale transaction. Nonetheless, I am providing answers to your specific questions.

As you know, the Town's purchase of the streetlights from National Grid is authorized by G.L. c. 164, § 34A. The statute provides a basic process for the purchase, including notice by the purchasing municipality to the electric company and to the Department of its intent to purchase streetlights, and payment of compensation by the municipality to the electric company. The details of the negotiations and execution of a purchase and sale agreement are left to the parties (the municipality and the electric company), and do not include the Department. Even though the statute provides for notice to the Department, the Department does not approve the transaction. Under the statute, the Department's involvement is limited to (a) resolving any dispute that arises over the compensation to be paid for the streetlights, and (b) approving a tariff for delivery service to customer-owned streetlights (applicable for service after the municipality has completed its purchase of the streetlights). For National Grid, its delivery service tariff as approved by the Department is Tariff M.D.P.U. No. 1217, Street and Area Lighting – Customer Owned Equipment, Rate S-5.

In your letter, you have asked several questions about specific fees and charges by National Grid in connection with the sale of streetlights to the Town, specifically, the field survey charge and the lighting service charge. Below, we provide answers to your questions based on our current understanding. However, it is important to note that although the statute outlines the elements of the purchase price, the terms of the streetlighting transactions are subject to negotiation by the parties. As stated above, the Department would be involved in the transaction only if the parties do not agree on the purchase price.

Q-1 Under existing state regulations, does national Grid have a right to charge for any of the ancillary fees listed in its documents relating to the sale of streetlights?

A-1 In connection with a municipality's purchase of streetlights from National Grid, the municipality and National Grid enter into a License Agreement that sets out each party's rights and responsibilities for the continued attachment of the municipality's streetlighting equipment to National Grid's utility poles. As provided in National Grid's License Agreement, a field survey is a review requested by the licensee to determine if National Grid's poles can accommodate the licensee's proposed new attachment, relocation of an existing attachment, or material change to an existing attachment. Conducting a field survey, as described in the License Agreement, is considered good utility practice. The charge for a field survey is referenced in Rate S-5 (Sheet 3) and is specified in the License Agreement in Appendix I (item (B)). Based on this information, it is appropriate for National Grid to charge for a field survey in connection with a proposal from a city or town to make changes to the streetlight equipment it has purchased.

As provided in National Grid's Terms and Conditions for Distribution Service, M.D.P.U. No. 1192 (Appendix A, Sheet 3, ¶ IV), National Grid may assess a Lighting Service Charge (e.g., to de-energize or energize facilities), which is currently \$126.21. This Charge applies when a customer requests National Grid's services in connection with the customer's own equipment. Thus, it is appropriate for National Grid to charge for lighting service in connection with a request from a municipality to make changes to the distribution service it receives for the streetlights it purchased.

Q-2 Are these types of ancillary fees and charges uniformly applied by other electric utilities in Massachusetts?

A-2 The electric utilities do not have uniform charges applicable to a streetlighting purchase and sale transaction. Each electric utility has its own distinct configuration of streetlight equipment depending on the community served and its geography. Also, each electric utility has its own cost of service characteristics. These factors contribute to the types and amounts of charges that are assessed in connection with a streetlighting purchase and sale transaction. Please note that the contract for the sale of streetlights by Fitchburg Gas

and Electric Light Company to the City of Fitchburg included provision for a field survey charge and a lighting service charge.

Q-3 Does National Grid have the ability to waive or negotiate any of these ancillary fees?

A-3 As we have stated, the streetlighting purchase and sale transaction, including fees, is the result of negotiations by the parties. However, charges set in a Department-approved Tariff can be changed only by a new Tariff filing by the utility or by a waiver approved by the Department.

Q-4 Is there a requirement for utilities to disclose, in writing, all of the fees once a community expresses an interest in purchasing streetlights?

A-4 As stated above, the Department does not regulate the streetlighting purchase and sale transaction. Also, charges for services such as a field survey, lighting service, and make-ready work are dependent on the streetlighting purchaser's requirements, and might not be known at the time that a municipality expresses an interest in purchasing the streetlights. Provision for these ancillary fees is contained in the National Grid's License Agreement that is part of the streetlighting purchase and sale transaction.

Q-5 Finally, since the Town of Shirley may find that, while the purchase price may be advantageous to acquire the streetlights, these fees may not make the purchase cost effective. What options does the Town of Shirley have to allow the purchase to move forward?

A-5 Based on the current agreement between the parties, this question seem moot.

Please let me know if you have any further questions.

Sincerely,



Kate McKeever  
Chief of Staff

cc: Mary Coleman, National Grid