

March 17, 2014

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4473 - National Grid's Proposed FY 2015 Electric Infrastructure, Safety, and Reliability ("ISR") Plan Settlement

Dear Ms. Massaro:

On behalf of National Grid,¹ I am filing this letter to notify the Rhode Island Public Utilities Commission ("PUC") that the Company and the Rhode Island Division of Public Utilities and Carriers ("Division") have reached agreement as to the only unresolved issue between the parties related to the FY 2015 Electric ISR Plan.

While the Company and the Division were able to reach agreement on the appropriate level of spending on the vegetation management budget in the FY 2015 ISR Plan, the issue of Verizon's contribution to tree-trimming spending has remained an open item. The parties have reached an agreement on that outstanding issue. In recognition of the Company's commitment to an agreed-upon action plan going forward, the parties now agree that there should be no downward adjustment to the recovery through ISR rates of the spending level for tree-trimming under the proposed FY 2015 ISR Plan without prejudice to the Division's right to reassert such a downward adjustment in future plans.

The Company has committed to an action plan under which it will within fifteen (15) days of the date hereof submit its FY 2015 vegetation management plan to Verizon and request appropriate reimbursement from Verizon for all proposed vegetation management work. Pursuant to the provisions of the joint pole agreement and applicable Intercompany Operating Procedure, Verizon will have 60 days to respond to the Company's request. The Company will provide an update to the Division and the PUC within fifteen (15) days after the expiration of the 60-day

¹ The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as "National Grid" or the "Company").

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period concerning Verizon's response. No later than fifteen (15) days thereafter, the Company shall consult with the Division to explore its legal options up to and including a civil lawsuit should Verizon refuse to contribute to the Company's proposed tree-trimming work. As the ISR process includes an annual reconciliation mechanism, any reimbursements received for tree trimming from Verizon will be credited to customers in the next annual ISR reconciliation filing.

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

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Steve Scialabba, Division
Greg Booth, Division
Leo Wold, Esq.
James Lanni, Division
Al Contente, Division