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GEORGE W. WATSON III

One Financial Plaza, 14th Floor Providence, RI 02903-2485 Main (401) 709-3300 Fax (401) 709-3399 gwatson@rc.com Direct (401) 709-3351

Also admitted in Massachusetts, Connecticut and Vermont

April 28, 2022

BY HAND DELIVERY & ELECTRONIC MAIL

Emma Rodvien Coordinator Energy Facility Siting Board Commission 89 Jefferson Boulevard Warwick, RI 02888

Re: The Narragansett Electric Company Aquidneck Island Gas Reliability Project Old Mill Lane, Portsmouth, RI Docket No. SB-2021-04

Dear Ms. Rodvien:

Per the Energy Facility Siting Board's ("EFSB") request, we revised Section 8.5.2 of the Siting Report for the Aquidneck Island Gas Reliability Project to more clearly state the cost estimate. Attached are the replacement pages 115-116c of the Siting Report which are redlined to highlight the revisions. With respect to the requirements under Section 1(e) of EFSB Order No. 150, we note the following:

- The Company used the line of compliance with the noise ordinance as the radius for the Purchase Plan. This means that radius includes all properties that are projected to experience noise levels exceeding the nighttime residential noise restriction of 55 dBA.
- Based on HDR's noise projections, there are only two residential properties that are expected to experience noise greater than the noise restriction. These properties were not included in the original cost estimate as each property has the benefit of mitigating features such as parcel size and existing natural screening. Additionally, the location where the noise level is expected to exceed the 55 dBA is a distance away from the residential structure. Because no other properties would experience noise exceedances according to the sound study, the Company did not anticipate having to purchase private property and, thus, the estimate was \$0.

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• The Company has revised the original cost estimate for the Purchase Plan to include the two parcels. The new cost estimate is a range of \$0 to \$3,000,000 with the upper range reflecting the estimated cost to purchase both homes.

As noted in the Siting Report, "[t]he levels shown on Figure 8-1 are projections, so during the first winter operation of the Project the Company will perform a 24-hour sound study of the Project to determine if the sound levels are equal to or less than the modelled levels shown on Figure 8-1."

Please let us know if you require any additional information.

Sincerely,

George W. Watson III

Enclosures

Copy to: Service List Docket No. SB-2021-04 (via email)

Mark R. Rielly, Esq., Assistant General Counsel & Director, National Grid (via email)

Wendy J.W. Marshall, Middletown Town Clerk (via US Mail)

Peter B. Regan, Esq., Middletown Town Solicitor (via US Mail)

Jennifer M. West, Portsmouth Town Clerk (via US Mail)

Kevin P. Gavin, Esq., Portsmouth Town Solicitor (via US Mail)

radii, depending upon the criteria used to establish the area in which the offers will be made, as proposed by the Company. The Company should assume that the offers would be based on the fair market value of the property, assuming there was no LNG use at Old Mill Lane, that the sale would be strictly voluntary on the part of the owners receiving the offers, and provide a range of the total cost of such an initiative. EFSB Order 150 at 36-37.

Before explaining the details of the property purchase plan, the Company makes two introductory comments. First, for reasons of cost and efficiency the Company carefully scrutinizes the acquisition of property. The Company does not purchase property for new utility projects unless the property is necessary to locate new equipment. The Company also does not purchase property as a means of mitigating facility or project impacts.

When siting a new facility, the Company first identifies what equipment will be necessary to address a specific need. The Company then targets a preferred location or region and determines the approximate property size needed for the project. The Company then conducts a property analysis to determine if there is property already owned by the Company that is available and suitable for the proposed project. In some circumstances the Company will also review property listings to determine if there is suitable property for sale that could be used for the proposed project. In short, the Company seeks to purchase only the property necessary to locate a facility and to avoid acquiring surplus property.

Second, whenever possible the Company sites projects to avoid and minimize impacts and does not purchase surrounding properties as a means of mitigating facility or project impacts. Once a potential site or sites are located, the Company identifies what permits and approvals may be required for the project to be built and operated at the site(s). The goal of this review is to identify a site where the project either conforms with local zoning requirements or one for which minimal relief is necessary to achieve conformance. It is not always possible, however, for a project to conform with all local requirements and some relief may be required. In rare circumstances, the Company may consider purchasing impacted properties where the impacts are severe and cannot be mitigated.

In this case, the Company is endeavoring to design the new Project layout in order to achieve sufficient mitigation of visual and noise impacts from the Project. The ultimate goal is for the mitigation to bring the Site into compliance with the local noise ordinance.

8.5.2 Offer Area

As noted above, the Board has directed that "[t]his potential supplemental plan should recommend a reasonable radius or range of radii, depending upon the criteria used to establish the area in which the offers will be made, as proposed by the Company."

The main driver for the consideration of a property purchase plan has been noise complaints from certain neighboring property owners. Thus, the Company believes that any offers to purchase should be limited to neighbors on whose properties the noise levels exceed local limits after the Project is in operation with all of the mitigation measures installed and who still complain that the Project interferes with their quiet use and enjoyment of their property.

The window for accepting the Company's offer would begin as of the first season the Project is in operation, and the window would close on June 30th following the end of the second complete season of operation. ³³

The Board instructed the Company to develop a property purchase plan "assuming there was no LNG use at Old Mill Lane". The Company does not believe that is an entirely fair assumption to make. As noted in Sections 3.1.1 and 7.8.1, the Property has a long history of utility use beginning in 1963 to the present day. While there were periods of dormancy – e.g., from 1991 when propane storage and injection ceased to the portable LNG operations in 2001 – the Property was continuously owned by the Company. Moreover, it is located immediately adjacent to another gas utility use - the take station. Thus, a reasonable buyer of nearby property could have understood that the Company could return the Property to active use at some point.

Based on Figure 8-1, the Project will comply with the daytime noise limits for Portsmouth and Middletown. However, there are two parcels to the east and west of the Project where the sound levels, as measured at the property line, are estimated to exceed the nighttime limits of the noise ordinances. Based on values obtained from an online real estate market place website, the Company estimates that the combined value for the two homes is approximately \$3,000,000. However, both properties have the benefit of existing vegetation buffers to visually screen the Project and the modelled sound levels near the respective residential structures are below the nighttime noise limits. In addition, based on the Company's plan to limit the operation of the vaporizers during the nighttime, it is expected that noise impacts from the Project will be infrequent. For these reasons, the Company estimated that there would be no cost for this plan because the Company believes that the Purchase Plan will not be necessary for the completed Project. However, in the event there are owners of neighboring parcels with measured noise levels from the Project that exceed the nighttime limits in the noise ordinances, the Company will approach them with the voluntary purchase plan. As noted above, the projected noise levels exceed the night time limits on only two parcels, so the estimate cost for this plan ranges from \$0 to \$3,000,000. The Company expects that any cost will be offset by the eventual resale of the parcel(s).

The levels the Company recognizes that the levels shown on Figure 8-1 are projections, so during the first winter operation of the Project the Company will perform a 24-hour sound study of the Project to determine if the sound levels are equal to or less than the modelled levels shown on Figure 8-1. The sound study will provide the Company with an opportunity to, if necessary, make adjustments to the

³³ Complete season is from December through March.

noise mitigation walls to achieve the desired reduction in noise levels or, if the Company is unable to achieve the desired reduction in noise levels, approach neighbors with Project related noise levels that exceed local limits to determine if they want the Company to purchase their property revisit the use of the Purchase Plan for impacted and interested neighbors.

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