

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ENERGY FACILITY SITING BOARD

In Re:

USGEN NEW ENGLAND
(MANCHESTER STREET STATION)

Docket No. SB-89-1

ORDER

On December 12, 2002, USGen New England (“USGen” or the “Company”) filed a request through its counsel that it be relieved from a requirement contained in the Energy Facility Siting Board’s (“EFSB” or “Board”) Order Number 12, dated December 15, 1990 (the “Order”) in this docket which required the acquisition of an alternate well site to supplement the Olneyville well.

In the Order, we considered the ability of the Applicants¹ proposed Olneyville well to supply the water demands of the repowered Manchester Street Station. (Order pp. 60, 104.) In condition number 4, we ordered the Applicants to acquire an alternative well site within six months of the Order and to maintain ownership of the alternative well site until we determined, based on a report the Applicants were to file within two years after the commencement of commercial operation, as to whether a second well was necessary. (Order p. 104.)

Subsequently the Applicants acquired a parcel of land on Pilsudski Street in Providence as an alternate well site and, in December, 1997, provided the studies required under condition 4 of the Order.² At the same time, the Applicants submitted a file memorandum from William J.

¹ The original application in this docket was filed by The Narragansett Electric Company and New England Power Company (the “Applicants”). In 1998, after completion of the repowering project, the Applicants sold the Manchester Street Station to USGen.

² The first study, by GZA GeoEnvironmental, Inc. entitled “Geohydrologic Study – Olneyville Water Supply Well, Providence, Rhode Island “(November 1997)” analyzed the capacity of the existing Olneyville well and its impact on the Woonasquatucket River. The second study, by Aquagenics, Inc. entitled “Water Management Study (December 1997)” analyzed the use of process water by Manchester Street Station.

Freddo, Station Plant Manager explaining the installation of upgraded dry NO_x burners for the combustion turbines at Manchester Street Station. According to Mr. Freddo, the installation of the new burners would result in significant operational, environmental and economic benefits for Manchester Street Station.

At the time that the Applicants filed the reports and Mr. Freddo's memorandum, they did not request a determination that it was no longer necessary to maintain control over the alternate well site. USGen has now requested that the Board determine that a second well is not necessary and allow USGen to dispose of the Pilsudski Street site.

USGen has advised the Board that as a result of the use of the new burners, the present consumption of water at Manchester Street Station on a typical day (91,000 gallons per day (gpd)) is substantially less than that which was projected during the repowering hearings (1.116 million gpd) and is less than the use projected in Mr. Freddo's 1997 memorandum (106,000 gpd). When Manchester Street Station is doing power augmentation (approximately 25-30 days per year) the daily water use is greater although still substantially below that projected for power augmentation during the repowering hearings.

The Board conducted an open meeting to consider the USGen request on January 21, 2003. At that time, we learned that USGen is no longer using water from the Olneyville well but is now obtaining all its process water from the public water supply system operated by the Providence Water Supply Board (PWSB). The EFSB expressed concerns about the use of potable water for non-potable, process purposes and determined that USGen should provide additional information and analysis related to its water use. At the same time, the Board acknowledged that it is not necessary for USGen to maintain ownership of the Pilsudski Street property which was originally acquired as an alternate well site.

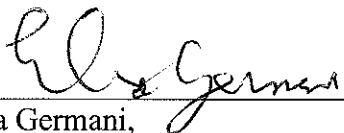
Accordingly, it is hereby [Order Number 50] ORDERED as follows:

1. Based on the reports filed in 1997 and the additional information provided by USGen, the Board determines that USGen need not build or acquire a second well and, consequently, may dispose of the Pilsudski Street property.

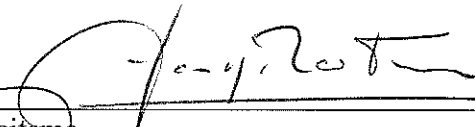
2. USGen shall seek a determination from the RI Water Resources Board and the Providence Water Supply Board whether the use of potable water by Manchester Street Station should be considered significant in relation to the overall amount of water supplied by PWSB, to a degree that the cost and benefits of reasonable alternatives should be explored. If the use is determined to be significant, USGen shall provide to the Board within six months a report analyzing its water needs and supply options, including the use of treated well water.

DATED AND EFFECTIVE AT WARWICK, RHODE ISLAND THIS 6th DAY OF FEBRUARY, 2003.

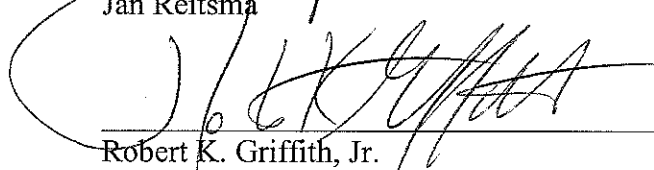
ENERGY FACILITY SITING BOARD



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