

## Lacouture, Peter V.

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**From:** Lacouture, Peter V.  
**Sent:** Friday, March 11, 2011 5:59 PM  
**To:** 'Nicholas Ucci'; mmitchell@admin.ri.gov; jboyle@cityofeastprov.com; Rayna.santoro@dem.ri.gov; Kevin Flynn; mrusso@frlawri.com; wsmith@frlawri.com; Asouthgate@providenceri.com; Alan Nault; Cindy Wilson; Elia Germani; Patricia Lucarelli; dmacrae@riag.ri.gov; jhagopian@riag.ri.gov; LWold@riag.ri.gov; MCorey@riag.ri.gov; john spirito; steve scialabba; Thomas Kogut; 'Jon Hagopian'  
**Subject:** RE: EFSB 2003-1 Action Items from Status Conference  
**Attachments:** LT WMR 12-10-10 P-dale tap.pdf; Schedule Mar 09.pdf; custcredprov.1104.pdf; Pages from 3788 Annual Retail Rate Filing.pdf

Nick-

In response to items #2, 3 and 7 from your note below, I offer the following on behalf of National Grid.

2. Late last year we sent Mark Russo a letter regarding the issues that had to be addressed for the relocation of the Phillipsdale tap. A copy of the December 12, 2010 letter is attached. The issues listed remain issues to be resolved before relocation of the tap can begin. As I suggested at the status conference, National Grid believes that attempting to relocate the Phillipsdale tap prior to constructing the underground cable will add cost, complexity and risk to the overall project and is not a good idea.

3. Dave Campilii's project schedule from 2009 is attached. The schedule shows the schedule for & sequencing of the various stages of the project. Obviously the start date ("Funding - Internal and External") has slipped.

7. The final amount of the credit from the settlement funds attributable to Providence and East Providence customers was \$5.8 million. The attached document is from National Grid's 2006 reconciliation filing and provides a final accounting of the Customer Credit. National Grid is not accruing interest on the amount as the Customer Credit Provision (also attached) did not provide for interest. Although not calculated, National Grid estimates that about 78-80% of the funds would come from Providence customers.

I hope to circulate a draft of a Funding Agreement in the next week.

PVL

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### Peter V. Lacouture

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-----Original Message-----

From: Nicholas Ucci [<mailto:NUcci@puc.state.ri.us>]

Sent: Monday, March 07, 2011 2:28 PM

To: [mmitchell@admin.ri.gov](mailto:mmitchell@admin.ri.gov); [jboyle@cityofeastprov.com](mailto:jboyle@cityofeastprov.com); [Rayna.santoro@dem.ri.gov](mailto:Rayna.santoro@dem.ri.gov); Kevin Flynn; [mrusso@frlawri.com](mailto:mrusso@frlawri.com); [wsmith@frlawri.com](mailto:wsmith@frlawri.com); [Asouthgate@providenceri.com](mailto:Asouthgate@providenceri.com); Alan Nault; Cindy Wilson; Elia Germani; Nicholas Ucci; Patricia Lucarelli; Lacouture, Peter V.; [dmacrae@riag.ri.gov](mailto:dmacrae@riag.ri.gov); [jhagopian@riag.ri.gov](mailto:jhagopian@riag.ri.gov); [LWold@riag.ri.gov](mailto:LWold@riag.ri.gov); [MCorey@riag.ri.gov](mailto:MCorey@riag.ri.gov); john spirito; steve scialabba; Thomas Kogut

Subject: EFSB 2003-1 Action Items from Status Conference

Good afternoon,

Based upon last week's status conference, I've identified the following action items:

\* The AG's office will draft and circulate to NGrid a joint petition on the use of storm funds within the next 30 days, which will be submitted to the Board.

\* NGrid will respond to Mr. Russo's concerns regarding how quickly work will begin in E. Providence (if agreement is in place) within 10 days.

\* Related to this, NGrid will produce an updated project construction schedule and submit to the Board. The timeline should explain which project components can be conducted concurrently, as well as the overall length, addressing Mr. Russo's questions.

\* Ms. Southgate has already checked on the status of the DEM/Greenway funds, which will be forwarded to you in a separate email momentarily.

\* Mr. Lacouture will revise and then circulate a draft funding agreement. Parties will have a couple of weeks to provide him with necessary edits. A final document will be complete within 30 days.

\* Once a final document is agreed upon, the cities will work to get their respective mayors to sign the agreement to help move the process forward (meanwhile, the agreement will start to work its way through city councils).

\* Mr. Lacouture agreed to find out how the settlement funds are divided between the two cities and provide details on interest accrued, etc.

Also, please note that we have agreed to reconvene for a status conference on April 27 @ 10:30am.

Thank you.

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Nick Ucci

Principal Policy Analyst, RI Public Utilities Commission Coordinator, RI Energy Facility Siting Board

Rhode Island Public Utilities Commission

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PETER V. LACOUTURE

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December 10, 2010

W. Mark Russo, Esq.  
Ferrucci Russo, P.C.  
55 Pine Street, Suite 4  
Providence, RI 02903

Re: **National Grid – E183 (Relocation of Phillipsdale Tap)**

Dear Mark:

I am responding to your request for a meeting to discuss the proposed relocation of the Phillipsdale Tap. As you know, we have had difficulty finding a convenient time for a meeting among representatives of East Providence, National Grid and Tockwotten. In lieu of scheduling a meeting, I thought I would write and summarize National Grid's thinking about East Providence's request that National Grid relocate the Phillipsdale Tap in advance of the construction of the underground portion of the E183 transmission line.

As a preliminary matter, we understand that East Providence and the Rhode Island Department of Transportation ("RIDOT") are working with a National Grid engineer to relocate the pole at the western end of Warren Avenue as part of the Waterfront Drive relocation. If East Providence seeks to combine this relatively simple project with the relocation of the Phillipsdale Tap it will, undoubtedly, delay the relocation of the Warren Avenue pole. As a result, we recommend that the projects not be combined.

There are a number of issues that must be resolved prior to the relocation of the Phillipsdale Tap ahead of the underground cable project. I will discuss each of these separately.

1. **Funding.** If the Phillipsdale Tap is to be relocated prior to and independent of the underground project, it is necessary to identify a source of funding to enable National Grid to commence engineering, survey, and, ultimately, construction. During the status conference on July 14, you suggested that RIDOT funding be used for this purpose. However, Mike Mitchell explained that in the event the full cable project were not completed, RIDOT and the federal government would require the reimbursement of these funds. Thus we need to identify another source of



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W. Mark Russo, Esq.  
December 10, 2010  
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funds that could be used for the relocation of the Phillipsdale Tap independent from the underground project.

2. Property Survey. When National Grid and East Providence representatives met on July 1, we reviewed a sketch showing the proposed relocation. Once the north and south termini of the relocation are agreed upon, it will be necessary to survey a new easement for the Phillipsdale Tap. As part of this, National Grid and East Providence must determine whether the relocated line is to be built in a temporary location and subsequently relocated into the transition station after it is constructed. (If the line were to be built into the proposed transition station site now, it would likely interfere with the construction of the transition station.)

3. Property Transfers. Once the route of the line, location of the proposed easement, and site of the new transition station are determined, it will be necessary for Tockwotten to grant to National Grid (i) a new easement for the relocated Phillipsdale Tap and (ii) the fee of the site of the transition station and access into it. We note that Section 42-98-1.1(e) of the Energy Facility Siting Act requires that any easements "no longer being used by the Company for utility purposes after the underground alignment is completed" be transferred to the city where the easement is located. Assuming that Tockwotten plans to use the portion of the easement which is vacated by the relocation of the Phillipsdale Tap, there will have to be some arrangement between East Providence and Tockwotten for transfer of this easement. National Grid will also need appropriate easements or other rights from East Providence for the underground cable route through the waterfront park and into the transition station site.

4. Permitting. We have not done a detailed permitting analysis but I anticipate that there may be East Providence subdivision and zoning issues as well as EFSB and CRMC approvals necessary.

After you have reviewed this I am available to discuss it with you.

Sincerely,



Peter V. Lacouture

Cc: David J. Beron, P.E., P.M.P.  
David Campilii, P.E.



E183 Undergrounding - Schedule													03/02/09 DMC										
	ID	Item	2009				2010				2011				2012								
			M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N
Engineering	1	Funding - Internal and External	█	█																			
	2	Engineering Consultant Spec, Bid, Award	█	█	█	█																	
	3	Environmental Consultant Spec, Bid, Award	█	█	█	█																	
	4	Detailed Engineering Phase 1					█	█	█	█	█	█											
	5	Detailed Engineering Phase 2									█	█	█	█	█								
	6	Environmental Route Assessment					█	█	█	█	█	█											
Licensing	7	Prepare Licensing Documents											█	█									
	8	Permitting Major													█	█	█	█					
	9	Permitting - Balance																					
Material	10	Bid - Material and Installation																					
	11	Fabricate Conduit and Manholes																					
	12	Fabricate Cable And Accessories																					
Construction	13	Install Conduits, HDD's, Pipejacking																					
	14	Pull Cable																					
	15	Splice and Terminate Cable																					
	16	Commission Cable System																					

Item 4: Detailed Engineering Phase 1 - Existing UG utility research, HDD detailed research,design, Geotech borings, route viability, Plan and Profile  
Item 5: Detailed Engineering Phase 2 - Ratings, complete design, material and installation specs.  
Item 8: Permitting - Major: EFSB, PUC, ACOE, CRMC, RIDEM, Advisories to EFSB  
Item 9: Permitting - Balance: Post EFSB and RIPUC rulings

THE NARRAGANSETT ELECTRIC COMPANY  
CUSTOMER CREDIT PROVISION

The Customer Credit Factor (“CCF”) shall refund to customers all funds accumulated on the behalf of customers (“Customer Credit”) pursuant to Section 11(A) of the Third Amended Stipulation and Settlement Agreement approved by the Rhode Island Public Utilities Commission (“Commission”) in Docket No. 2930, in accordance with the adjustments and methodology set forth in the settlement filed by the Company and approved by the Commission in Docket No. 3617 (the “Current Rate Plan”).

The Company shall estimate and adjust the Customer Credit for the period January 1, 2000 through December 31, 2004 as described in Section 7(C) of the Current Rate Plan. The Customer Credit shall be allocated to each of the Company’s rate classes using a factor comprised of 50% of each class’ base distribution revenues estimated for calendar year 2005 and 50% of each class’ kilowatt-hour deliveries estimated for calendar year 2005. The factor for each class will be a cents-per-kilowatt-hour factor applicable to all kilowatt-hours delivered by the Company and will be applied to customer bills over a twelve-month period beginning for usage on and after November 1, 2004.

The estimated amounts included in the design of the CFF shall be reconciled to actual amounts in a report filed with the Commission by May 1, 2005. In addition, the amounts credited to customers pursuant to this provision shall be tracked by the Company and reconciled at the end of the twelve-month period to the actual amount reflected in the May 1, 2005 report. The result of this reconciliation shall be included in the Company’s first annual reconciliation filing occurring after the expiration of the CCF. Any over or under recoveries of the Customer Credit will be allocated to customer classes using the methodology set forth in the prior paragraph and recovered from or returned to customers over the following twelve months in a Customer Credit adjustment factor.

Pursuant to the Commission Order in Docket No. 3551, all of some portion of the Customer Credit attributable to the U.S. Navy will be credited to the Company’s revenues in calendar year 2004, and be subject to earnings sharing.

Under G.L. 42-98-1.1, the cities of Providence and East Providence (“Cities”) have the option to waive the application of the CCF that would otherwise be applicable to the Company’s customers in those communities for purposes of supporting the cost to underground the E-183 line in accordance with the settlement approved by the Energy Facilities Siting Board on May 28, 2004 in Docket SB-2003-1 (“E-183 Settlement”). In the event that one or both of the Cities elects the option under G.L. 42-98-1.1, the Company shall implement such election. In the event that: (i) the Company receives funding for the undergrounding from alternative sources; (ii) either City does not exercise the option under G.L. 42-98-1.1; or (iii) the Company is unable to secure funding, permits, and the rights to land and easements as set forth in the E-183 Settlement, then the Company shall notify the Cities and shall implement that portion of the Customer

Credit not otherwise used to fund the undergrounding project for the Company's customers in those communities.

Modifications to the CCF shall be in accordance with a notice filed with the Commission setting forth the amount of the revised factor and the amount of the increase or decrease. The notice shall further specify the effective date of such charges.

Effective: November 1, 2004

**National Grid  
Customer Credit Refund per Customer Credit Adjustment Provision Approved in RIPUC Docket No. 3617**

<u>Month</u>	<u>Beginning Balance</u> (a)	<u>Credit</u> (b)	<u>Prov/Eprov Credit</u> (c)	<u>Adjustments</u> (d)	<u>Ending Balance</u> (e)
* Nov-04	(\$22,769,000)	(\$521,968)	(\$105,418)	(\$56,415)	(\$22,085,199)
Dec-04	(\$22,085,199)	(\$1,546,011)	(\$408,713)	\$0	(\$20,130,475)
Jan-05	(\$20,130,475)	(\$1,580,047)	(\$427,880)	\$0	(\$18,122,548)
Feb-05	(\$18,122,548)	(\$1,517,078)	(\$397,972)	\$0	(\$16,207,498)
Mar-05	(\$16,207,498)	(\$1,534,408)	(\$408,178)	\$0	(\$14,264,912)
Apr-05	(\$14,264,912)	(\$1,369,881)	(\$374,101)	\$0	(\$12,520,930)
May-05	(\$12,520,930)	(\$1,263,543)	(\$349,845)	\$4,869,000	(\$15,776,542)
Jun-05	(\$15,776,542)	(\$1,393,648)	(\$377,789)	\$0	(\$14,005,105)
Jul-05	(\$14,005,105)	(\$1,658,790)	(\$438,050)	\$0	(\$11,908,266)
Aug-05	(\$11,908,266)	(\$1,839,305)	(\$471,990)	\$0	(\$9,596,971)
Sep-05	(\$9,596,971)	(\$1,776,475)	(\$489,087)	\$0	(\$7,331,409)
Oct-05	(\$7,331,409)	(\$1,461,843)	(\$420,205)	\$0	(\$5,449,361)
Nov-05	(\$5,449,361)	(\$1,362,156)	(\$376,971)	\$0	(\$3,710,233)
Dec-05	(\$3,710,233)	(\$1,620,355)	(\$445,817)	\$0	(\$1,644,061)
** Jan-06	(\$1,644,061)	(\$899,278)	(\$300,338)	\$47,884	(\$492,330)
<b>Total</b>		<b>(21,344,786)</b>	<b>(5,792,353)</b>		

\* Reflects consumption on and after November 1, 2004

\*\* Reflects consumption prior to January 1, 2006

Column Notes:

(a) Column ( e) of previous month

(b) Actual amount refunded per Company revenue report

(c) Estimated share of credit based on usage of customers in Providence and East Providence; amount to be used to fund undergrounding of the E-183 transmission line pursuant to the settlement agreement in Docket 3617.

(d) Adjustments:  
 Nov 2004: Company share of Navy credit pursuant to agreement in Docket No. 3551  
 May 2005: Reconciliation of Customer Credit per May 2, 2005 filing  
 Jan 2006: Navy's share of Customer Credit pursuant to provisions of Docket No. 3551 of \$33,602  
 Jan 2006: Residual amount of credit due to bill cancellations and rebillings  
 Jan 2006: Bonus Depreciation True-up of \$88,739  
 Jan 2006: 2005 Service Quality Penalty of \$174,958

(e) Column (a) - Column (b) - Column (c) - Column (d)