

2016 -- S 2164

=====
LC003369
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

—————
A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- CAPITAL CITY
UNDERGROUND UTILITY INITIATIVE

Introduced By: Senators Conley, Goldin, DaPonte, Ruggerio, and Goodwin

Date Introduced: January 27, 2016

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-98-1.1 of the General Laws in Chapter 42-98 entitled "Energy
2 Facility Siting Act" is hereby amended to read as follows:

3 **42-98-1.1. Capital city underground utility initiative.** -- (a) The public utilities
4 commission shall permit the city of Providence or the city of East Providence, upon petition by a
5 duly authorized representative of such municipality, to forego some or all of the respective
6 municipality's pro rata share of the refund accruing to the ratepayers of the respective
7 municipality as computed under section 11(c) of the 3rd Amended Settlement Agreement in
8 Docket No. 2930; provided, however, that the city council of each petitioning ratifies such action
9 by passage of a resolution.

10 (b) The public utilities commission shall permit, upon petition by the attorney general,
11 for the use of up to two million dollars (\$2,000,000) from Narragansett Electric Company's Storm
12 Contingency Fund for purposes of under grounding that portion of the E-183 transmission line
13 under consideration in Energy Facility Siting Board Docket 2003-01.

14 (c) Narragansett Electric Company shall be required to apply to the regional grid
15 operator or its successor organization for approval to charge New England regional network
16 service customers for the capital costs associated with the construction of Phase II overhead
17 configuration labeled the "North Bridge Alignment" as defined by the Settlement Agreement that
18 was approved by the Energy Facility Siting Board in Docket 2003-1. [On or before September 1,](#)

1 [2016, Narragansett Electric Company shall be required to update the 2004 estimate of the cost of](#)
2 [the North Bridge Alignment for the purpose of updating any approval charge to New England](#)
3 [regional network service customers for capital costs.](#)

4 (d) The Narragansett Electric Company ("company") shall be ~~authorized~~ [required](#) to
5 proceed with the construction of the underground alignment of the E-183 line referenced in the
6 Settlement Agreement that was approved by the Energy Facility Siting Board in Docket 2003-01
7 ("Underground ~~alignment~~ [Alignment](#)"), including the acquisition of any property rights needed to
8 implement the ~~underground-alignment~~ [Underground Alignment](#) ~~subject to the passage of~~
9 ~~resolutions by both city councils of the cities of Providence and East Providence agreeing that~~
10 ~~any incremental costs above existing funding may be included in electric rates of electric~~
11 ~~customers in those cities. Such resolutions must be delivered to the public utilities commission no~~
12 ~~later than July 1, 2009.~~ Notwithstanding the terms of the Settlement, to the extent the actual costs
13 for the ~~underground-alignment~~ [Underground Alignment](#) exceed the funding obtained for the
14 project pursuant to this section and from federal and other sources, the company is authorized to
15 include the incremental costs [that exceed two million dollars \(\\$2,000,000\)](#) above those funding
16 levels [actually available at the time of construction](#) in its distribution rate base and reflect the
17 revenue requirement in rates to the electric distribution customers within the [State of Rhode](#)
18 [Island](#) ~~cities of Providence and East Providence, subject to the timely passage and delivery of the~~
19 ~~resolution specified above.~~ Such rate adjustment shall be made within six (6) months from project
20 completion, applying the same ratemaking principles as ordinarily applied to distribution capital
21 projects when they are allowed in its distribution rate base by the public utilities commission.
22 After completion of the ~~underground-alignment~~ [Underground Alignment](#), the public utilities
23 commission shall conduct a review of costs incurred to construct the ~~underground-alignment~~
24 [Underground Alignment](#) in order to verify that the company's calculation and implementation of
25 rates are in compliance with this section; provided, further, the auditor general shall perform a
26 performance audit of state costs.

27 (e) If the ~~underground-alignment~~ [Underground Alignment](#) goes forward, the company
28 shall retain such portions of the properties acquired to implement the ~~underground-alignment~~
29 [Underground Alignment](#) as may be necessary and prudent, and shall transfer any remaining
30 portions of said properties to the redevelopment authority of the city in which the property is
31 located after the completion of the project, at the city's request and at no additional cost to the
32 city. Any easements no longer being used by the company for utility purposes after the
33 ~~underground-alignment~~ [Underground Alignment](#) is completed also shall be transferred to the city
34 after the completion of the project, at the city's request and at no additional cost to the city. If

1 there is any dispute about the extent to which property or easements are needed and therefore
2 should not be transferred, the public utilities commission shall decide the issue upon petition by
3 the affected city.

4 SECTION 2. Chapter 42-98 of the General Laws entitled "Energy Facility Siting Act" is
5 hereby amended by adding thereto the following section:

6 **42-98-1.2. Schedule for capital city underground utility initiative.** -- (a) The general
7 assembly finds that the Settlement Agreement in Docket No. 2930, that provides for this initiative
8 was entered and approved by the energy facility siting board on October 29, 2004. The general
9 assembly finds that the deadlines with the settlement agreement have not been enforced.
10 Therefore, the general assembly finds it necessary to direct and authorize the energy facility siting
11 board to establish an enforceable schedule ("project schedule") to complete the initiative on or
12 before July 30, 2017. Furthermore, the general assembly finds that the benefit of the Underground
13 Alignment or an alternative alignment as set forth in the settlement agreement is statewide and
14 electrical customers statewide, as pursuant to the amendment to §42-98-1.1(d) should absorb a
15 certain amount of the incremental costs that have now increased with the passage of over eleven
16 (11) years since the settlement was reached.

17 (b) The project schedule shall include milestone dates for the following:

18 (1) Reconstructing the Philippsdale Tap Line out of sequence and forthwith, to advance
19 economic development within the East Providence Waterfront District;

20 (2) Completion of detailed engineering of the Underground Alignment;

21 (3) Commencement and targeted completion of permitting of the Underground
22 Alignment by and before, but not limited to: the Energy Facility Siting Board, the Rhode Island
23 Department of Environmental Management, the Rhode Island Coastal Resources Management
24 Council, the United States Army Corps of Engineers and, if required, the host municipalities;

25 (4) Acquiring a drilling landing site in the city of Providence;

26 (5) Acquiring other easements and rights, including, but limited to, an underground
27 easement through India Point Park, a landing site in the city of East Providence, a transition
28 station site and associated transmission line easements in the city of East Providence;

29 (6) Soliciting bids for the construction of the Underground Alignment;

30 (7) Reviewing construction estimates for the Underground Alignment based upon bid
31 results;

32 (8) Constructing the Underground Alignment; and

33 (9) Removing existing overhead lines and structures.

34 (c) The reasonable fees and costs incurred by the cities to establish, monitor and ensure

1 compliance with the project schedule shall be a reimbursable cost of the project.

2 (d) In the event the parties to the settlement agreement are aggrieved by an order of the
3 Energy Facility Siting Board to establish an enforceable project schedule, such aggrieved party
4 may seek review of said order by the Providence County Superior Court, Business Calendar
5 under the standards embodied in §42-35-15.

6 (e) On or before August 15, 2016, in an effort to curb incremental costs relating to the
7 Underground Alignment, the Rhode Island Department of Transportation shall engage an
8 independent consultant whose qualifications are deemed acceptable to the parties to the
9 Settlement Agreement to opine in writing whether it is possible and if so, to estimate the cost of
10 having the electric transmission lines utilize existing bridge structures to effectuate the river
11 crossings necessitated by the Underground Alignment.

12 (f) If the City Councils for East Providence and Providence determine by resolution not
13 to pursue the Underground Alignment then the parties to the Settlement Agreement in Docket No.
14 2930 are directed to undertake and complete the North Bridge Alignment as defined in said
15 Settlement Agreement within the schedule deadlines set forth above in this section. The cities
16 must so resolve on or before October 30, 2016. In the event of such resolution, an enforceable
17 schedule shall be established as pursuant to subsection (b) of this section. The relocation of the
18 Philipsdale Tap Line shall be likewise completed out of sequence, so as to expedite that facet of
19 the Project. Subsections (c) and (d), of this section shall likewise be applicable to the North
20 Bridge Alignment, if it is to be constructed pursuant to this subsection.

21 SECTION 3. This act shall take effect upon passage.

=====
LC003369
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- CAPITAL CITY
UNDERGROUND UTILITY INITIATIVE

1 This act would authorize the Energy Facility Siting Board to establish an enforceable
2 schedule for Narragansett Electric Company's completion of the construction of the Capital City
3 Underground Utility Alignment Initiative on or before July 30, 2017.

4 This act would take effect upon passage.

=====
LC003369
=====