

FUNDING UPDATE: \$17.7 Million Raised to Bury Waterfront Power Lines

COST OF BURIAL: \$33,900,000 National Grid's 10/14 estimate
FUNDS RAISED: \$17,700,000 \$17.7M raised and designated for burial listed below and confirmed by National Grid, 11/14 and 6/15.
SHORTFALL: \$16,200,000

Background:

- A **feasible route** for burying the wires, identified by National Grid and its consultants, would bury the high-voltage power lines under the Providence and Seekonk Rivers and the land in between. If the I-195 bridges over the rivers could be used, project costs would be significantly reduced.
- **Cost to complete funding:** The Energy Facility Siting Board has ruled that the burial project would “enhance the socio-economic fabric of the state.” The cost of such projects are routinely built into statewide utility rates. The \$16 million shortfall to bury the waterfront power lines could be absorbed by statewide rates for about **12 cents/month, or less than 1/10 of 1%** of the average RI ratepayer’s monthly electrical bill of \$95, declining annually over 30 years, according to the Division of Public Utilities.

FUNDING SOURCES: If not used for burial, these funds will dissipate without any comparable, large-scale enhancement.

Amount	Source	Additional Information & Funding
\$9M	-- \$5.8M refund for Prov. & E. Prov. ratepayers was set aside in 11/04, and approved by both City Councils. (Refund would have been \$1.71/month for 1 year for the average ratepayer, resulting from Grid’s merger-related savings in operating costs.) -- \$3.2M in interest accrued on the refund, through 5/15. Grid has spent some of the interest on feasibility studies and its 10/14 cost estimate for burial.	The refund earned ~\$2.6M in interest from 12/04 through 11/14, per Grid’s 11/14 stipulation to the Energy Facility Siting Board. Additional interests accrued since then should be added to the funding total.
\$2.5M	Sen. Chafee’s earmark in FY05 federal transportation funds designated for power lines burial, held by RI Dept. of Transportation (RIDOT).	The state’s 10/11 Transportation Improvement Program (TIP) has listed “earmark funding remaining,” including state match, at \$3.13M .
\$2.7M	Gov. Carcieri committed \$2.5M in 6/04 when the General Assembly passed the first bill authorizing burial. In 8/05, then RIDOT Dir. Capaldi committed an additional \$200K to cover burial costs.	Dept of Admin. attorney Mike Mitchell repeatedly conveyed RIDOT’s commitment of \$5.2M (\$2.5 + \$2.7M) to the Energy Facilities Siting Board in 7/10, 3/11, 4/11, and 8/11, and reiterated it in 1/13.
\$2M	National Grid Storm Fund grant for burial approved by Public Utilities Commission (PUC), 5/04.	The PUC approved replenishing the storm fund by \$4.8M per year for six years, 11/12.
\$1.5M	Regional contribution from ISO-New England. In 2/06, the regional electrical grid agreed to pay for replacing the antiquated overhead river crossings. If the wires are buried, ISO’s contribution would be applied to the burial cost.	ISO’s contribution would increase significantly if Grid were to update and provide more detail for its 2004 cost estimate for replacing the overhead Seekonk River crossing.
\$17.7M	TOTAL	Additional funding for burial will result from updating the interest earned on the refund, and the cost estimate for the Seekonk River crossing to be paid by ISO-New England.