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BEFORE THE
SURFACE TRANSPORTATION BOARD

PROVIDENCE AND WORCESTER
RAILROAD COMPANY,)

Finance Docket No. 35393

Office of the

April 18, 2011

Public Hearing

**REPLY OF PROVIDENCE AND WORCESTER RAILROAD COMPANY
IN OPPOSITION TO
NATIONAL GRID MOTION TO HOLD PROCEEDINGS IN ABEYANCE**

Providence and Worcester Railroad Company ("P&W") hereby opposes the motion of New England Power Company, d/b/a National Grid ("National Grid"), to hold this proceeding in abeyance. As set forth below, there is no reason to stay this proceeding, and doing so would only serve to both further delay the resolution of this now two-year old dispute and continue to frustrate P&W's plans to expand its operations.

National Grid's motion to hold this proceeding in abeyance is based solely on its assertion that "the parties have made significant progress towards negotiating a voluntary resolution of their dispute." See National Grid Motion at 1. Although National Grid does not expressly represent that a voluntary resolution is imminent, its motion is clearly intended to give that impression. But, if the parties were in fact close to a resolution, one would have expected National Grid to file a joint or consent motion for a stay. In this case, however, National Grid did not confer with P&W – much less seek its consent – before filing its motion to stay this proceeding.

P&W does not agree that a stay of this proceeding would enhance the prospects for a timely and successful voluntary resolution. As detailed in its Petition for Declaratory Order, P&W has been attempting to negotiate a resolution with National Grid for more than two years. During that time, P&W has proposed a number of alternatives to accommodate the needs of both P&W and National Grid. A voluntary

resolution could – and should – have been reached long ago but for National Grid's insistence that M.G.L. c. 164, § 73 prevents P&W from enforcing its right to require National Grid to relocate its poles from the P&W right-of-way. Indeed, National Grid's reliance on M.G.L. c. 164, § 73, and its resulting lack of interest in a prompt resolution with P&W, was the reason that P&W sought declaratory relief from the Board in the first place.

National Grid's position has not changed in the more than nine months since P&W filed its Petition in this proceeding. National Grid still insists that M.G.L. c. 164, § 73 prevents P&W from forcing National Grid to relocate its poles. National Grid still has not agreed to a resolution that would permit P&W to expand its operations. While P&W has continued to negotiate with National Grid, National Grid understandably feels no urgency to reach a resolution so long as it believes that M.G.L. c. 164, § 73 prevents P&W from forcing the relocation of the transmission poles. In fact, the continuing delay in reaching a resolution increases National Grid's leverage and strengthens its negotiating position. Such delay benefits National Grid because its poles and transmission line remain in place, preventing P&W from proceeding with its expansion plans.

Finally, National Grid's suggestion that a stay of this proceeding would facilitate a voluntary resolution of the underlying dispute has it exactly backwards. To the contrary, a stay of this proceeding would encourage and facilitate further delay. So long as National Grid believes that it is protected by M.G.L. c. 164, § 73 – and can be confident that an adverse decision by the Board is not on the immediate horizon – it has little reason to finalize a resolution with P&W. P&W, on the other hand, needs to move forward with its plans – plans that have now been delayed for more than two years.

For all the foregoing reasons, National Grid's Motion To Hold Proceedings In
Abeyance should be denied.

Respectfully submitted,



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DATE: April 18, 2011

CERTIFICATE OF SERVICE

I do hereby certify that I have delivered a true and correct copy of the foregoing document to the following addressees at the addresses stated by depositing same in the United States mail, first class postage prepaid, or by email transmission, this 18th day of April 2011:

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