

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held January 12, 2004

Attendees: Chairman Elia Germani, Commissioner Kate Racine, Commissioner Robert Holbrook, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault, Douglas Hartley and Luly Massaro.

Chairman Germani called the open meeting to order at 10:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

3575 – Verizon Rhode Island: Verizon submitted a tariff filing to modify the Customer Specific Pricing Contracts tariff to reflect the pricing flexibility for business services granted in the Alternative Form of Regulation Order (Order No. 17417 issued in Docket 3445). The tariff modification will enable Verizon to respond, on a case-by-case basis, to the highly competitive environment that exists for business services in the state. The Division has reviewed the filing and recommended that it be allowed to go into effect without suspension. After review, Commissioner Racine moved to approve Verizon tariff filing noting that the rate for Customer Specific Pricing Contracts be set above the long-run incremental cost price floor. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3576 – Verizon Rhode Island: Verizon submitted a tariff filing to introduce enhancements to ISDN Primary Service and Enhanced ISDN PRI Hub Service. Specifically, the filing eliminates the mileage component for the Local Distribution Channel for customers enrolled in 2- or 3-year Corporate Rewards Service Agreements; provides for the use of alternative digital facilities; provides upgrades to term commitments; revises termination liability; and provides for more flexibility for the subscription to operational features. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

1725 – Rules and Regulations Governing the Termination of Gas, Electric and Water Utility Service: The Commission reviewed the responses to data requests from NEGas and Narragansett Electric. The responses indicate that NEGas and Narragansett show a large number of standard customers with balances of \$2,500 or greater. It showed that these customers' service have not been terminated and most did not have a payment agreement with the utility. The Commission expressed concerned with the utilities' discretion to collect these high balances.

After review of the current and proposed draft regulations proposed by the staff, and the data responses, the Commission agreed that the regulations need revision to improve the utilities' collection practices and uncollectibles. There was agreement that the current regulations pose harm to and sets the ratepayers for failure in keeping current with his/her monthly electric/gas bills. There was no agreement on the timing to initiate new

regulations, however, a consensus was reached to maintain the current rules in place in order to allow appropriate time for the rules to work (since these new regulations became effective in May 2002) and to conduct further discovery in the following areas:

- Follow-up with discovery on NEGAs' 235 standard customers with balances of \$2,500 or greater and Narragansett's 46 standard customers with balances of \$2,500 or greater.
- The uncollectible level of RI utilities and how they compare with comparable utilities in other states.
- The utilities' collection practices and procedures. Is it cost-effective and efficient?
- Is the uncollectible factor (2.1% for gas and approximately 1% for electric) in the tariff appropriate? Should the factor be modified?
- Should there be a late payment charge?

3564 – Narragansett Electric Co.: Chairman Germani recused himself from participating in discussion of Docket No. 3564. Counsel Frias excused himself from the meeting prior to discussion of this docket.

In this docket, the Commission has until January 30, 2004 to issue an advisory opinion to the Energy Facility Siting Board (EFSB) regarding the need, cost analysis and safety of the Narragansett Electric's proposal to relocate transmission lines between the Cities of Providence and East Providence (which application is pending before the EFSB.)

Commissioners Racine and Holbrook discussed the following the motions:

1. *Narragansett Electric Co.'s Motion for Extension of Time* seeking a two week continuance of the hearings (scheduled January 13-14). Commissioner Racine noted that a similar motion was concurrently filed with the EFSB. She noted that there is uncertainty with current her medical condition in that it may interfere with any further scheduling in this docket. Further, the EFSB will not consider a similar motion until this afternoon's open meeting. Commissioner Racine moved to deny the Motion for Extension of Time filed by the Narragansett Electric Co. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**
2. *Attorney General (AG) Motion for Reconsideration of Evidentiary Rulings* issued by Presiding Commissioner relative to AG's data request 1-31 through 1-34. Narragansett Electric filed an objection to the AG's motion. After review, Commissioner Racine moved to grant the AG's motion for reconsideration of evidentiary rulings relative to AG1-32 and 1-34. Commissioner Racine moved that Narragansett Electric respond to AG's data request 1-32 and 1-34. Commissioner Racine moved to sustain the rulings relative to AG data requests 1-31 and 1-33. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

There being no further business to discuss, the open meeting adjourned at 11:20 P.M.

