

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held January 13, 2010

Attendees: Chairman Elia Germani, Commissioner Mary Bray, Commissioner Paul Roberti, Patricia Lucarelli, Cindy Wilson-Frias, Sharon Colby Camara, Alan Nault, Nick Ucci and Luly Massaro.

Chairman Germani called the open meeting to order at 9:30 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers

The following companies filed revisions to their existing tariffs. The Division has reviewed the tariff filings and recommends that they be allowed to go into effect without suspension:

2618 – AT&T Corp. – (tariff filing 12/18, /29/09)

2426 – TCG Rhode Island (tariff filing 12/18/09)

3028 – Qwest Communications Co. (tariff filing 12/14/09)

2262(P1) – Working Assets Funding Service, Inc. (tariff filing 12/16/09)

2262(O2) – NOS Communications, Inc. (tariff filing 12/15/09)

2262(P2) – NOSVA Limited Partnership (tariff filing 12/15/09)

2262(Q2) – Affinity Network Inc. (tariff filing 12/15/09)

After review, the Commission followed the Division's recommendation to allow the tariff to go into effect without suspension.

4136 – Verizon Rhode Island – Verizon filed on December 18, 2009 a tariff filing to introduce FIOS Bundle Discount II to allow customers to receive a monthly discount on Regional Essentials when customer subscribes to an unlimited long distance calling plan in addition to either or both FiOS TV and FiOS Internet. The Division has reviewed the filing and recommends that it be allowed to go into effect without suspension. After review, the Chairman Germani entertained a motion to approve Verizon's tariff. Commission Bray moved to approve. Commission Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4135 – Block Island Power Co. (BIPCo) – The Commission review the record in connection with the Town of New Shoreham's Motion for Summary Disposition of BIPCo's Proposed \$0.01 per kWh Summer Only Surcharge Rate Pursuant to R.I.G.L. § 39-26.1-7. After review and discussion, Commissioner Roberti concluded that the statute is clear that National Grid may recover administrative and other so called "soft costs" associated with the Town of New Shoreham project. He noted that the provision related to the recovery of BIPCo's costs is written differently. He opined that if the Legislature had meant for BIPCo to be allowed recovery of "soft costs", it could have used the same language. He looked at the categories of costs/charges BIPCo incurs under the statute: (1) Purchase Power Arrangements between BIPCo and a supplier on the mainland; (2) transmission-related costs for the cable and for transmission service; and (3) any benefits allocation of above-market costs of the PPA between National Grid and Deepwater Wind

to BIPCo's customers. He noted that all of these are involuntary costs and opined that voluntary costs are not recoverable in the same manner. Therefore, while he believed that BIPCo's involvement in Docket 4111 was important, it was voluntary. He added that a fully reconciling rate adjustment clause is normally allowed for the recovery by a distribution company in rates to fund large item expense as transmission and purchase power costs, etc. He indicated that allowing BIPCo's request would be the first time a utility would be allowed to recover soft costs for participation in a docket and was not prepared to extend the provision.

Chairman Germani stated that the statute could be read to allow recovery through a reconciliation factor or not, but noted that BIPCo is a small company and he deemed its participation to be critically important and valuable to the proceeding. He supported approval of a surcharge to recover associated costs for BIPCo's participation in Docket 4111.

Commissioner Bray noted that BIPCo's participation is voluntary and queried the extent of its participation when the Town of New Shoreham and the Division is involved in the proceeding. Commissioner Bray moved to grant the Town's motion. Commissioner Roberti seconded. Chairman Germani opposed. Vote 2-1.

4139 – Initiate a rulemaking proceeding pursuant to R.I.G.L. § 39-26.1-8 to promulgate rules and regulations governing utility-scale offshore wind project proceedings. Discussion of this docket was postponed.

The open meeting adjourned at 10:00 A.M.