

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held February 27, 2003

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

Chairman Germani called the open meeting to order at 11:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers:

The following companies registered to operate in R.I. The Division has reviewed the registrations and recommends approval of:

2262(A18) - Exergy Group LLC

2262(Z17) - Epixtar Communications Corp.

Chairman Germani asked for a motion and Commissioner Racine moved to approve the registrations. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

The following companies submitted tariff revisions. The Division has reviewed the tariff filings and does not recommend suspension of:

2262(G16) - NYNEX Long Distance Co. (filings submitted on 02/07 & 02/14)

2262(F16) - Bell Atlantic Communications, Inc. (filings submitted on 02/07 & 02/14)

2262(Q2) - Affinity Network Inc.

2262(P2) - NOSVA Limited Partnership RI

2262(O2) - NOS Communications, Inc.

2262(G1) - Business Telecom, Inc.

3304 - McLeodUSA Telecommunications Services, Inc.

3233 - Touch America, Inc.

3336 - United Systems Access Telecom, Inc.

2618 - AT&T Communications of NE, Inc. (filings submitted on 02/11 & 02/14)

2535 - Cox RI Telcom

2472 - Sprint Communications (filings submitted on 01/30 & 02/12)

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

3493 – Verizon Rhode Island (Verizon): Verizon submitted a tariff filing to Introduce Inter-switch Voice Messaging Service (ISVM) for effect March 6, 2003. ISVM is an optional service that enables Simplified Message Desk Interface customers to offer voice messaging or telemessaging service to their clients through the exchange network, on an inter-office basis. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

3436 – New England Gas Co. (NEGas): NEGas submitted a proposal to increase the

Gas Cost Recovery charges effective with March 2003 billing cycles for firm sales service customers. The bill impact on a typical residential heating customer using 517 therms over the eight month period from March through October 2003 will be approximately \$47 or 8%, which would equate to increases ranging from approximately \$15 in March to \$3 in July and August. The Division and the Attorney General filed a response indicating that, as a matter of law under Title 39, insufficient notice of the proposed rate increase had been given by NEG and the proposed rate increase could at the earliest only be applied to consumption on or after March 16, 2003. Therefore, they recommended that the Commission reject NEC's proposed implementation date and instead order an effective date for consumption on or after March 16, 2003. After review, noting that NEGas did not give 30 days notice of the proposed rate increase as required by the notice provisions of RIGL §§39-3-11 and 39-1-30, Commissioner Racine moved to suspend the proposed GCR charges beyond March 16, 2003 in accordance with requirements of Title 39 and the recommendation of the Attorney General and the Division. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

2802 – Island Hi-Speed Ferry LLC (IHSF): This docket relates to Commission's review of IHSF's January 17, 2003 compliance filing regarding IHSF's operational and financial data for the year 2002 and *pro forma* data for 2003. The following items were discussed and deliberated upon:

- Interstate Navigation Co. (Interstate) filed with the Commission and Division, a Petition for an Investigation of a Contract between IHSF and Boston Harbor Cruises. Atty. Frias noted that based on his review, Title 39 authorizes the Division to review affiliate contracts and that the Division is the appropriate agency to review the petition filed by Interstate. The Commission agreed that it will therefore defer handling of this matter to the Division.
- With respect to IHSF's January 17, 2003 Request for Exemption from Public Disclosure and the several related pleadings submitted by Interstate and IHSF, Atty. Frias noted that these filings raised the same arguments with regard to matters that the Commission decided upon in its previous order in this docket (Order No. 17102). The Commission can therefore uphold its previous order with respect to IHSF's January 17th compliance filing. On this basis, Commissioner Racine moved to grant IHSF's Request for Exemption from Public Disclosure filed on January 17, 2003. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

- In its January 17, 2003 compliance filing, IHSF submitted operational and financial data for 2002 and *pro forma* data for 2003. At the recommendation of Atty. Frias, Commissioner Racine moved to open a new docket to review the appropriate form of regulation for IHSF and investigate the reasonableness of its current rates and charges. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

There being no further business to discuss, the open meeting adjourned at 11:09 A.M.