

**State of Rhode Island and Providence Plantations**

**Public Utilities Commission**

**Minutes of Open Meeting Held April 24, 2003**

**Attendees: Chairman Elia Germani, Commissioner Kate Racine, Commissioner Brenda Gaynor, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault 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.**

**Draft Minutes of Open Meetings:** Chairman Germani asked for a motion to approve the Minutes of Open Meetings held on April 1, 2003 and April 14, 2003 and Commissioner Racine moved to approve the minutes. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3512 - City of Woonsocket Water Division (WWD):** WWD filed new rates designed to generate additional operating revenues in the amount of \$1,093,451 or 24.9% for effect May 1, 2003. The tariff filing is made pursuant to Commission Rule 2.10 which governs abbreviated rate filings by a utility. Rule 2.10 allows increases on certain accounts for known and measurable expenses only when the proforma amount is at least 10% greater than the test year. Certain of WWD's requested increases were for less than 10% over the test year levels: Telephone, Education/Training, Printing & Reproduction, Light & Power, Clothing & Shoes, Clothing Allowance, and City Services. WWD filed a Motion For Waiver From the Restriction on Increases on these accounts. After discussion with the Division, WWD modified its motion for a waiver, agreeing to remove its requested increases on all of the above-listed accounts but for Light and Power. The Division is in agreement with this modification. After review, Commissioner Racine moved to grant WWD's motion for a waiver from the 10% requirement in Rule 2.10(b), as modified and to suspend the proposed rates beyond the effective date of May 1. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3497 – Pawtucket Water Supply Board (PWSB):** This docket relates to the Commission's review of PWSB's request to increase its operating revenues requirements. Discussion related to the PWSB's Motion and Memorandum For Interim Relief seeking that the Commission exercise its powers and allow the PWSB to use currently restricted IFR funds to immediately begin certain projects necessary to maintain water quality operations. Commissioner Gaynor moved to set a date for hearing to consider the motion. The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

**3452 – Pawtucket Water Supply Board:** Commissioner Racine noted that the Pawtucket City Council ratified the selection of EarthTech as the vendor to construct the

new water treatment plant. Despite the fact that a vendor was selected, Atty. Wilson noted the Commission needs to go forward with the May 1 hearing regarding the adequacy of the plant to continue to provide safe and potable drinking water to ratepayers. At the hearing, the Commission will focus on the adequacy of the plant during the construction period, the timeline for completing the project, the costs that are incurred, who has responsibility for those costs, and what costs will be borne by the ratepayers. It should be an information gathering hearing whereby the Commission's initial focus will continue to be the adequacy of the plant for providing service. The Commission will also focus on gaining an understanding of the various responsibilities under the DBO contract. After a contract is developed, the PWSB should invite EarthTech to make a presentation before the Commission.

**3495 – Island Hi-Speed Ferry LLC (IHSF):** This docket relates to the Commission's review of the appropriate form of regulation and reasonableness of the current rates for IHSF. Motions to intervene were submitted by Interstate Navigation Co. and the Town of New Shoreham. IHSF submitted an objection to the motions.

Chairman Germani noted that in the IHSF rate filing (which was appealed), the Supreme Court questioned the Commission's wisdom and appropriateness in granting intervention status to the intervenors. IHSF does not provide a lifeline service and the Commission's review on the form of regulation will only directly affect IHSF. Interstate Navigation and the Town of New Shoreham do not have a direct interest in the form of regulation or rates for IHSF. Both Interstate and the Town of New Shoreham can make public comments. Therefore, the Chairman moved to deny the motions to intervene filed by Interstate Navigation Co. and the Town of New Shoreham. The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

**3504 – Interstate Navigation Co. (Interstate):** Interstate submitted a tariff advice to modify Interstate Vehicle Rates Tariff for effect May 5, 2003. The modification will require trucks carrying garbage/sewer sludge for the Town of New Shoreham to be carried exclusively on the hazardous truck cargo charter vessels, rather than the passenger ferry vessels, but at the truck rate rather than the hazardous truck rate. The Division filed a recommendation indicating that it had reviewed the proposed tariff change and recommends approval as filed. After review, Commissioner Racine moved to approve Interstate's proposed tariff modification. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

**3507 – New England Fast Ferry, LLC (NEFF):** NEFF, joined by RIPTA as sponsor of the ferry service, submitted an application seeking to implement rates for ferry transportation connecting the termini of Providence and Newport. The applicant also filed a Motion for an Exemption from Notice and Hearing Requirements of R.I.G.L. Section 39-3-11 and requested expedited consideration to allow the rate to become effective May 1, 2003. The proposed passenger tariffs are designed to raise revenue to support seasonal ferry transportation between May and October. After review, Commissioner Racine moved to approve NEFF tariff application contingent upon the submission of the Division's order granting NEFF a certificate of operating authority and

further moved to find that good cause exists to allow NEFF a waiver from the notice and hearing requirements of R.I.G.L. Section 39-3-11 due to the fact that the ferry service is not a lifeline service. The motion was seconded by Gaynor and unanimously passed.

**Vote 3-0.**

**3500 – Verizon Rhode Island (Verizon):** Verizon submitted a tariff filing to implement a \$1.00 increase to residence basic exchange rates for all rate groups for effect May 1, 2003. The increase will apply to unlimited on-party, unlimited two-party and measured one-party basic exchange services. The filing also proposes to increase by \$1.00 the Lifeline credit. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

Commissioner Gaynor noted that the filing makes reference that the rate increases is made pursuant to an order where the Commission approved a settlement agreement in a previous docket (Docket 3445). The settlement gave Verizon the discretion to increase such rates and Verizon chose to make the filing. The Commission did not mandate the increase. Commissioner Gaynor asked that in the future, Verizon not make reference that a tariff filing is made pursuant to an order when in fact, it is a discretionary filing.

Atty. Frias informed that Ms. Terri O’Brien, of Verizon, assured him that notification to customers of the instant rate increase would not make reference to the Commission’s order.

At the suggestion of Chairman Germani, Atty. Wilson volunteered to collectively meet with the utilities to discuss what education process is being used or how the utilities notify customers of approved rate changes.

**3501 – Verizon Rhode Island:** Verizon submitted a tariff filing to remove the current restriction that requires subscribers of Worksmart Packages to choose Verizon as their IntraLATA toll carrier for effect May 4, 2003. Removal of this requirement will make the service available to more customers. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

**3502 – Verizon Rhode Island:** Verizon submitted a tariff filing to eliminate the barrier of early termination for Centrex Services charges for migration provided that the new commitment is of equal or greater value for effect May 4, 2003. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

**3503 – Verizon Rhode Island:** Verizon submitted a tariff filing to eliminate the offering of High Capacity FlexGrow Service for effect May 4, 2003. Verizon has no customers currently subscribing to this service and elimination of the service will have no customer

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

There being no further business to discuss, the open meeting adjourned at 10:35 A.M.