

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held June 19, 2008

Attendees: Chairman Elia Germani, Commissioner Robert Holbrook, Commissioner Mary Bray, Patricia Lucarelli, Thomas Massaro, Alan Nault and Luly Massaro.

Chairman Germani called the open meeting to order at 2:00 PM. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers

The following company filed an application registration for authority to provide telecommunications service in Rhode Island. The Division has reviewed the application and recommends approval of:

3965 – Light Tower Fiber, LLC

After review, Commissioner Holbrook moved to approve the application as submitted.

Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.**

The following companies submitted tariff revisions. The Division has reviewed the tariff revisions and recommends that it be allowed to go into effect without suspension:

2426 – TCG Rhode Island (tariff filing 6/6/08)

2472 – Sprint Rhode Island (tariff filing 6/10/08)

3647 – XO Communications Services, Inc. (tariff filing 6/10/08)

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

3964 – Verizon Rhode Island – The Commission reviewed Verizon's May 30, 2008 filing to introduce PRI Plus 20K Service, a 2- or 3-year term offering that bundles IDSN PRI with an additional 20,000 minutes of local usage per month, for effect June 29, 2008. The Division filed a memo indicating that it has reviewed Verizon's tariff filing and finds that the filing conforms to the alternative regulation plan and Order No. 18550. After review, Commissioner Holbrook moved to approve Verizon's tariff filing as filed. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3952 – Pascoag Utility District – The Commission reviewed Pascoag's May 7, 2008 filing to introduce Seasonal Rate for Large and Industrial (C&I) Customers, RIPUC #501 to allow Pascoag to change the method of billing C&I customers classified as seasonal. The Division filed a memo summarizing its review and recommending approval of the tariff. After review, Commissioner Bray moved to approve Pascoag's tariff filing as filed. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3900 – Block Island Power Co. – The Commission reviewed BIPCo’s compliance rate filing designed to collect additional revenues in the amount of \$263,856 for a total cost of service of \$2,607,548 in conformance with the Commission’s open meeting decision on May 29. The Division filed memo summarizing its review and recommending approval. After review, Commissioner Holbrook moved to approve BIPCo’s compliance rate filing as filed. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3943 – National Grid Gas (NGrid) – The Commission reviewed the New England Gas Workers Association’s (NEGWA) motion to intervene. NGrid filed an opposition to the motion to intervene on the basis that NEGWA has not demonstrated that it satisfies the criteria for intervention. After review Chairman Germani moved to grant NEGWA’s motion to intervene. Commissioner Bray seconded the motion to grant intervention. Commissioner Holbrook opposed. **Vote 2-1**

3905 – Narragansett Bay Commission (NBC) – The Commission reviewed the record relating to NBC’s rate application, discussed and deliberated on the following outstanding issues:

1. Revenue Stability Fund: Chairman Germani moved to adopt the Division’s position to fund from the carry-forward of the Debt Service Reserve at \$1.5 million up to a \$4.5 million cap. The investment earnings will stay within the Fund. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
2. Operating Reserve: Commissioner Holbrook moved to approve a 1% Operating Reserve to be calculated by excluding personnel expenses and debt related costs. The motion was seconded by Commissioner Bray. Chairman Germani opposed **Vote 2-1.**
3. Health Care Costs: Commissioner Bray moved to eliminate the cap for co-payments of health insurance for non-union employees. Commissioner Holbrook seconded the motion. Chairman Germani opposed. **Vote 2-1.**
4. Regulatory Expenses: Commissioner Holbrook moved to adopt the allowance proposed by the Division and agreed to by NBC at the hearing. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.**
5. Current Debt Service Compliance filing procedure: Commissioner Holbrook moved to approve the continuation of the filing procedure. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.**
6. Salary Increase: Commissioner Holbrook moved to limit the 2009 salary increase for non-union employees to 3%. Commissioner Bray seconded the motion. **Vote 2-1.** Chairman Germani opposed.
7. Rate Design: Commissioner Holbrook moved to accept NBC’s rate design proposal. Commissioner Bray seconded the motion and the motion was

unanimously passed. **Vote 3-0.**

8. Commissioner Holbrook noted that according to the actuarial reports submitted by NBC, the Defined-Benefit Pension Plan for non-union employees was over-funded at December 31, 2007 by \$140,000 in excess of the actuarial recommendation. The plan has an unfunded liability is approximately \$3.5 million. Commissioner Holbrook moved that the PUC reduce NBC's revenues by \$140,000. The motion was not seconded.

3959 – National Grid (NGrid) – Chairman Germani moved to convene in executive session to discuss Docket 3959 relating to NGrid's request to approve its settlement agreement with TransCanada. The meeting is closed pursuant to R.I.G.L. 42-46-5(a) because discussion on the settlement agreement can include pending litigation and litigation strategies that if became public could be detrimental to the settlement. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.** The Chairman requested that attendees except those involved in the docket leave the room. The closed session minutes will be kept under seal.

Chairman Germani moved to reconvene the open meeting session. Commissioner Bray seconded the motion and the motion was unanimously passed **Vote 3-0.**

There being no further business to discuss, the open meeting adjourned at 2:35 P.M.