

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held July 1, 2009

Attendees: Chairman Elia Germani, Commissioner Mary Bray, Patricia Lucarelli, Cindy Wilson-Frias, Sharon Colby Camara, Nick Ucci and Luly Massaro. Staff member Alan Nault was not present.

Chairman Germani called the open meeting to order at 11:30 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

4026 – Narragansett Bay Commission (NBC) – The Commission reviewed the record relating to NBC's rate application, discussed and deliberated on the following outstanding issues:

1. NBC's rate application filed on December 22, 2008 – Commissioner Bray moved to reject NBC's rate application. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 2-0.**
2. Cost of Service
 - a) Salary and Fringe for Position - Commissioner Bray moved to eliminate funds of \$57,238 for the Field Tech Investigator. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 2-0.**
 - b) Operating Supplies & Expenses - Commissioner Bray moved to disallow funds of \$58,388 for credit fees. Recovery of this item is a violation of the Commission's rules which prohibits recovery of credit card costs borne by ratepayers. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 2-0.**
 - c) The Commission approved all cost of service adjustments previously agreed to by the parties. **Vote 2-0.**
 - d) Operating Reserve - Commissioner Bray moved to approve a 1% Operating Reserve to be calculated excluding personnel expenses and debt related costs. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 2-0.**
 - e) Salaries – The Commission expressed concern with NBC's salary increases for union personnel. The Commission expects that in its next contract negotiation, NBC negotiate increases that reflect the current economic climate.

3. Rate Design

- a) Monthly Billing – Commissioner Bray moved to approve NBC’s proposal to implement monthly billing effective October 1, 2009. The customer charge will be divided by three so there will be no increase in customer charge. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 2-0.**

 - b) The Commission approved NBC’s proposal that the rate increase will be an incremental increase through the fixed fee component. **Vote 2-0.**
4. Restricted Accounts – Chairman Germani moved to continue to restrict Debt Service and Debt Service Coverage. Debt Service funding may be used for the payment of Capital Improvement Program projects, capital outlays, and funding the Revenue Stability Fund. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 2-0.**
5. Notice of Filing to Customers – Commissioner Bray moved that the notice of filing to customers pursuant to Rule 2.4 of the Commission’s Rules of Practice and Procedure shall occur after the pre-hearing conference and shall include the dates and locations of the public comment hearings. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 2-0.**

As approved, NBC is authorized to collect additional revenues in the amount of \$7,176,197 for a total cost of service in the amount of \$76,937,699 effective July 1, 2009.

The meeting adjourned at 11:45 A.M.