

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held July 1, 2015

Attendees: Chairperson Margaret Curran, Commissioner Paul Roberti, Commissioner Herbert DeSimone, Cindy Wilson-Frias, Amy D'Alessandro, Sharon Colby Camara, Alan Nault and Todd Bianco.

Chairperson Curran called the open meeting to order at 1:00 P.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers Dockets

The following companies submitted revisions to their existing tariffs, and a request to rescind authority. The Division filed a recommendation that the tariff filings be allowed to go into effect without suspension, and the request to rescind be approved:

- 3059 – Broadview Networks, Inc. (tariff filing 6/16/15)
- 3173 – Access Point, Inc. (tariff filing 6/24/15)
- 2262(T8) – Network Operator Services, Inc. (request to rescind)

After review, Commissioner DeSimone moved to approve the tariff filings and approve the request to rescind authority as submitted in the above dockets. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4558 – Steels Pond Hydro, Inc. – Steels Pond Hydro, Inc. filed an application for eligibility certification of its Steels Pond Hydro Project, a 0.900 MW small hydro energy generation unit located in Antrim, New Hampshire, as a New Renewable Energy Resource. PUC Consultant recommended approval of the application. After review, Commissioner Roberti moved to approve the application. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4571 – Providence Water Supply Board (PWSB) – PWSB filed on June 18, 2015, a Motion to Reopen Proceedings (in Docket No. 4406) and to implement changes to its retail consumption rates. PWSB seeks approval to restore restricted funds in capital account in the amount of \$2,448,000 to support a total cost of service of \$69,973,343, an increase of 3.5 over current revenues. Atty. Wilson-Frias summarized that in prior Docket No. 4406, PWSB sought funding of approximately \$2.4 to purchase a new facility. The PUC had disallowed this amount because at the time, the expenses were not known and measurable as PWSB did not have a site for a new facility and no costs for the facility. PWSB has found a facility to purchase and now seeks to restore the restricted funds. The PUC received objections from the Bristol County Water Authority and City of East Providence to this procedure. At the June 30 pre-hearing conference, the parties agreed to open this Docket No. 4571 to take PWSB's additional information in plus other information that is required under the abbreviated filing requirement of the PUC rules, and a procedural schedule was set. The proposed rates would go into effect on July 18 unless the PUC suspends the rates to conduct investigation in PWSB's filing. After review, Commissioner DeSimone moved to suspend PWSB's proposed rates to conduct

discovery and hearing into the proposal. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3195 - Verizon Rhode Island – This docket relates to the PUC’s review of Verizon’s Carrier-to-Carrier Guidelines Performance Standards and Reports. The Carrier-to-Carrier Guidelines provides for metrics and performance standards applicable to Verizon Rhode Island. Verizon filed on June 17, 2015, proposed amendments to the Inter-Carrier Quality Guidelines that are used for the Carrier-to-Carrier reporting. The amendments reflect metric changes that were adopted by the New York Public Service Commission (on May 15, 2015). The amendments include 1) the removal of 108 of the 341 metrics from the Carrier-to-Carrier Guidelines due to low volume, and 2) make thirteen administrative changes. The Division has reviewed the proposal and recommended adoption. After review, Commissioner Roberti moved to approve the application. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4568 – The Narragansett Electric Company d/b/a National Grid – R.I. Gen. Laws § 39-26.6-24 requires the PUC to open a docket on or after July 1, 2015 to consider National Grid’s rate design and distribution cost allocation among rate classes in light of net metering and additional distributed generation resources. After review, Chairperson Curran moved to open Docket No. 4568. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.** National Grid will file a preliminary proposal by July 10 and a fully complete filing by end of July. Staff will hold pre-hearing conference on July 16.

4513 – The Narragansett Electric Company d/b/a National Grid – The PUC reviewed the record relating to National Grid’s Revised Street Lighting Metering Pilot filed with the PUC on March 23, 2015.

The PUC discussed the scope and cost recovery of the pilot program. It was noted that PUC Order No. 21704 states “*A well-designed pilot should provide a wealth of useful information, including meter accuracy, ability to integrate with the billing system, and a comparison to the unmetered rates. The design should include a cost allocation. The proposal should not assume meter ownership on the part of either party. It must, at a minimum, include the technical issues that would need to be addressed, such as interfacing with National Grid’s billing system, the types of meters that would be compatible, and access issues.*” The PUC found that the revised pilot is good and adequate. While there was discussion to encourage the municipalities to participate, the current position is that there are no municipalities, primarily, because they are concern about costs, which is a legitimate concern. The revised pilot, agreed to by all the parties, incorporates the Department of Transportation (DOT) Pilot Phases I, II and III. The municipalities’ recent position is that they are on board with DOT’s pilot phases. The Office of Energy Resources is also on board with the revised pilot. National Grid likes the pilot phases but wants the involvement of a municipality in the pilot. The PUC is reluctant to order a municipality to participate. The PUC, however, requests that National Grid not move forward with the pilot unless a municipality is included. At this

time, it appears that no municipalities want to be involve in the pilot, and that municipalities believe that there is important information can be garnered from DOT's pilot. After deliberating, the PUC ruled on the following motions:

1. Commissioner Roberti moved to find that the propose Revised Street Lighting Metering Pilot is sufficient to comply Order No. 21704. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**
2. Commissioner DeSimone moved that cost of the pilot program be recovered from all street lighting customers. These costs will be allocated to National Grid's street lighting rate classes S-05, S-06, S-10 and S-14. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4556 – The Narragansett Electric Company d/b/a National Grid – The PUC reviewed the record regarding National Grid's March 2, 2015 proposed Standard Offer Service (SOS) Procurement Plan and Renewable Energy Standard (RES) Procurement Plan for 2016. After deliberating, the PUC by unanimous **Vote 3-0**, ruled on the following issues:

1. The PUC voted to approve National Grid's 2016 RES Procurement Plan as filed.
2. The PUC voted to eliminate the billing adjustment and allow National Grid to recover costs associated with eliminating the billing adjustment from all delivery customers. Elimination of the billing adjustment will be effective immediately.
3. The PUC voted to reject Lieutenant Governor McKee's request to order National Grid to issue refunds of billing adjustments paid prior to this decision.
4. The PUC voted to require the Company to monitor the impacts associated with elimination of the billing adjustment, including the associated costs and extent of any gaming which may occur as a result of this decision. The Company shall file a proposal with the PUC recommending a specific method of monitoring and reporting the impacts of the elimination of the billing adjustment. The Company shall consult with the Division in developing a recommendation for the monitoring and reporting of any gaming which may occur as a result of this decision.
5. The PUC voted to approve National Grid's 2016 SOS Procurement Plan as filed, with the following exceptions:
 - a) National Grid's current retail rate periods for the Residential and Commercial Groups, January through June and July through December, shall be changed to October through March and April through September. This change shall take effect on October 1, 2016.
 - b) In order to provide Residential and Commercial customers an additional 30 days' notice of impending rate changes, National Grid shall conduct its final SOS RFP at least 75 days prior to the next retail rate period.
 - c) In order to transition to the new retail rate periods, National Grid shall file SOS rates for the Residential and Commercial Groups for the period January 1, 2016 through September 30, 2016, providing 75 days' notice pursuant to Paragraph (b). Thereafter, National Grid shall file SOS rates each year for effect on October 1 and April 1.

- d) As soon as practicable, National Grid shall file revised procurement schedules for the Residential and Commercial Groups consistent with the revised retail rate periods contained in Paragraph (a) such that FRS contracts will be secured for 90% of the Residential and Commercial load for the upcoming rate period.
 - e) National Grid shall conduct an analysis of whether and to what extent its SOS procurement plan addresses current wholesale electricity market conditions. To be consistent with R.I.G.L. §39-1-27.8 and least cost procurement, such analysis shall include the extent to which current market conditions are conducive to discretionary hedging of the spot market with FRS contracts in the SOS procurement process. The analysis should refer to, and expand upon, the Northbridge Study filed by National Grid on January 22, 2010 in Docket 4041. National Grid shall file this analysis with the PUC on or before January 29, 2016.
6. National Grid shall no longer display the RES charge as a separate line item on customers' electric bills. The RES charge shall henceforth be included within the Standard Offer Supply charge which is currently displayed on customers' electric bills.
 7. The PUC voted not to revise SOS rates to include a different reflection of wholesale market price volatility that more closely aligns the timing of volatility with the charging of that volatility customers.
 8. The PUC voted not to make any changes to any of the pricing options offered by National Grid to any of its customer classes.

The open meeting adjourned at 2:35 P.M.