

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held July 7, 2005

Attendees: Chairman Elia Germani, Commissioner Robert Holbrook, Steve Frias, Cindy Wilson-Frias, Thomas Massaro, Alan Nault and Luly Massaro.

Chairman Germani called the open meeting to order at 2:00 P.M. in the first-floor hearing room of the Public Utilities Commission.

Minutes of Open Meetings held on June 16, 2005 and June 20, 2005: After review, Chairman Germani moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

Competitive Telecommunications Service Providers

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

3107 – Lightship Telecom, LLC (tariffs filed 6/21/05)

2426 – TCG Rhode Island (tariffs filed 6/17/05)

2618 – AT&T Communications of NE, Inc. (tariffs filed 6/9 & 6/14/05)

3429 - AmeriVision Communications, Inc. (tariffs filed 6/8/05)

2262(C8) – CTC Communications (tariffs filed 6/14/05)

2262(F16) – Bell Atlantic Communications, Inc. (tariffs filed 6/16/05)

2262(G16) – NYNEX Long Distance (tariffs filed 6/16/05)

2262(A6) – SBC Long Distance, LLC (tariffs filed 6/8/05)

2262(G19) – TON Services, Inc. (tariffs filed 6/16/05)

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

The following companies ceased operations and requested that their authority to operate be rescinded:

2262(V9) – ICG Telecom Group, Inc.

2262(X10) – Teligent Services, Inc.

After review, Chairman Germani moved to rescind the authority of the companies. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

Telecommunications Interconnection Agreements ("ICA"):

The following ICAs were submitted for approval. The Division has reviewed the ICAs and amendments and recommends approval of:

3681 – ICA and Amendment No. 1 to ICA between Verizon Rhode Island and OnFiber Carrier Services, Inc.

3585 – Amendment No. 3 to ICA between Verizon Rhode Island and MCImetro Access Transmission Services LLC

After review, Chairman Germani moved to approve the ICAs as submitted. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

3662 – Verizon Rhode Island – This docket relates to Verizon's interim rates in place (in RIPUC Tariff No. 18) to implement the FCC's new unbundled (UNE) rules as set forth in the TRO Remand Order issued February 4, 2005. After review, Chairman Germani moved to approve Verizon's tariff revisions with the modification recommended by the Division except on the issue for the cap of 10 DS1 transport circuits. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

3682 - Narragansett Electric Co.: This docket relates to Narragansett's Petition for Approval of Settlement Agreement between Narragansett and TransCanada Power, and Related Transactions Pertaining to Certain Standard Offer Wholesale Supply Agreements between Narragansett and Constellation Energy. Prior to proceeding with this petition, Narragansett sought a written consent of the Division of Public Utilities and Carriers (Division) to terminate the current TransCanada agreements. On June 29, the Division issued a letter denying termination of the TransCanada SOS contracts. In view of the Division's denial, Narragansett Electric filed a request to withdraw the June 7 petition. The Commission accepted Narragansett's request to withdraw and closed the docket.

3578 – Newport Water Division (“NWD”): Atty. Wilson-Frias summarized the travel of financial events and the pleadings submitted relating to NWD's petition for miscellaneous relief to be allowed to make its second installment loan payment of \$500,000 to the City of Newport.

After review and discussion, Commissioner Holbrook suggested that NWD defer repayment to the City until it gets its financial house in order. He moved to deny the Supplemental Petition Miscellaneous Relief and Addendum to the Supplemental Petition. The motion was seconded by Chairman Germani and unanimously passed. **Vote 2-0.**

Commissioner Holbrook stated his reason for the denial. He is frustrated with NWD's continued dependence on borrowing funds from the City and queried the timeframe that the utility could endure without having to borrow from the City. He is concerned with the utility's cashflow problem and expenses being more than what the current rate structure appears to allow compared to assumptions built in the current rate structure. He requested that NWD provide updated information on their collections, accounts receivables, expenditures and volume sales (to follow in a data request to NWD).

Atty. Wilson-Frias and Mr. Nault explained that the NWD has been providing the information requested as required in Order No. 17992 (issued on September 24, 2004). Atty. Wilson-Frias noted that the NWD filed a rate case earlier this year to address the cashflow. Atty. Wilson-Frias and Mr. Nault noted that the NWD appears to have taken positive steps toward responding to the concerns raised by the Commission in the last rate case.

The meeting adjourned at 2:30 P.M.