

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held July 14, 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 July 7, 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:

3647 - XO Communications Services, Inc. (tariffs filed 6/30/05)

2618 – AT&T Communication of NE, Inc. (tariffs filed 6/28 & 6/30/05)

2486 – MCImetro Access Transmission Service (tariffs filed 6/23/05)

3059 – Broadview Networks, Inc. (tariffs filed 6/28/05)

3010 – RNK, Inc. (tariffs filed 6/30/05)

2535 – Cox RI Telcom (tariffs filed 6/23/05)

2262(V5) – BellSouth Long Distance, Inc. (tariffs filed 7/1/05)

2262(L10) – Paetec Communications, Inc. (tariff filed 6/30/05)

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

Gas Marketers

The following company filed an application for authority to transact as a Gas Marketer in RI. The Division has reviewed the application and recommends approval of:

2379(V1) – Sempra Energy Trading Corp.

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

3657 – Pascoag Utility District: The Commission considered the Pascoag semi-annual reconciliation tariff filing and request to keep the current Standard Offer Service Rate, Transmission Charge and Transition Charge in effect through January 31, 2006. The Commission also reviewed the Division memo summarizing its review and recommending that Pascoag current rates remain in place through January 31, 2006.

After review, Chairman Germani moved to approve Pascoag's requests to maintain the rates in effect through January 31, 2006. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

3677 – Mobil Pipeline Co.: There was no discussion of this docket. The Commission dismissed the petition at the July 13, 2005 hearing.

3684 – Providence Water Supply Board (“PWSB”): PWSB filed new rates designed to generate additional revenues in the amount of \$4,957,115 or 10.74% for effect July 31, 2005. Chairman Germani moved to suspend PWSB’s proposed tariffs to conduct investigation and hearing. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.**

3660 – Kent County Water Authority (“KCWA”): After review and discussion of the record regarding the instant rate filing, Commissioner Holbrook moved to accept the recommended adjustments submitted by the Division and adopt the recommendations made by Commission Staff, Mr. Frias and Mr. Massaro. The motion was seconded by Chairman Germani and unanimously passed. **Vote 2-0.**

Commission Staff recommended adoption of the following:

- Accept the requested 25% revenue increase of \$3,172,665, and allocate any expenditure reductions to funding the IFR account.
- Accept the use of a three-year average method to determine sales level as supported by the Division.
- Accept the Division’s adjustment for growth in the number of residential customers and related increase in water sales.
- Accept the cost allowance for purchase water proposed by the Division.
- Accept the increase to purchased power costs proposed by the Division.
- Accept the Division’s adjustments to the chemical allowance.
- Accept the allowance for maintenance of mains requested by KCWA.
- Accept the use of a three-year average method to determine office supplies and expense.
- Disallow funding for lobbying costs incurred by KCWA.
- Disallow funding for medical benefits for the KCWA Board Members.
- Approve an operating reserve of 1.5% except for debt service, IFR and capital replacement amounts.
- Direct KCWA to undertake a review of its medical benefits and costs, and report to the Commission in its next abbreviated or general rate filing.
- Continue to maintain the following restricted accounts: Infrastructure Replacement (IFR), Debt Service, Renewal & Replacement (R&R) and Reserves & Coverage Allowance.
- Direct KCWA to file reports on its CIP, IFR, and restricted accounts every four months.
- Approve rate increase effective as of the date of this open meeting decision.

A transcript of the Commission’s July 14, 2005 open meeting discussion relating to Docket 3660 is available at the office of the Commission Clerk.

The meeting adjourned at 2:30 P.M.