

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held October 5, 2009

Attendees: Chairman Elia Germani, Commissioner Mary Bray, Commissioner Paul Roberti, Patricia Lucarelli, Cindy Wilson-Frias, Sharon Colby Camara, Alan Nault, Nick Ucci and Luly Massaro.

Chairman Germani called the open meeting to order at 10:30 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Minutes of Open Meeting held September 30, 2009: Commissioner Bray moved to approve the minutes of the open meetings. Commissioner Roberti seconded the motion and motion unanimously passed. **Vote 3-0.**

4099 – Verizon Rhode Island – Verizon filed on September 10, 2009 a tariff filing to make changes to the application of termination liability associated with Corporate Rewards and Enhanced FlexGrow services to the Verizon Client Advantage Program. The Division has reviewed the filing and recommends that it be allowed to go into effect without suspension. After review, Commissioner Bray moved to approve the filing. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4098 – Rules Governing the Termination of Residential Electric and Natural Gas Services – The Commission received applications for memberships on the negotiated rulemaking committee from the following: (1) Matteo Guglielmetti, Office of Energy Resources; (2) Robert McConnell, Esq., George Wiley Center; (3) Nancy Cianflone, National Grid; (4) James Jahnz, Keep the Heat On, Interfaith Direct Emergency Fund; (5) Harle Round, Pascoag Utility District; (6) John Spirito, Esq., Division of Public Utilities and Carriers; (7) Albert Casazza, M.D., BIPCo.; and (8) Julie A. Silvia, on behalf of low income, elderly, disabled, unemployed and seriously ill consumers that other persons named to the Committee may not adequately be able to represent. The Commission had appointed Peter Dennehy, Esq. as the facilitator and Cindy-Wilson Frias, Esq. as the Commission's representative. The Commission noted that the applicants provide good representation and requested that two Division representatives would be of value and provide a balance for standard ratepayers to serve on the Committee. The Commission accepted all the applications.

1725 – Rules Governing the Termination of Residential Electric, Gas and Water Utility Service – The Commission reviewed the George Wiley Center's September 17, 2009 petition to restore gas and electric service for customers who pay 10% down and up to three years to pay the balance and the comments in response to the petition from National Grid and the Division. The following rulings were made:

- 1) Chairman Germani made a finding that there exists an imminent peril to public health, safety and welfare because of Rhode Island's current high unemployment

and economic downturn. The Chairman moved to adopt emergency regulations. Commissioner Bray seconded the motion and the motion unanimously passed. **Vote 3-0.**

- 2) Commissioner Bray moved to adopt emergency regulation consistent with the specialized payment plans adopted in October, 2008. The regulation will apply to any residential customer who either did not enroll in a specialized plan last year or who did enroll, but his or her balance owed this year is not higher than last year's balance. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4078 – Richey Properties, LLC – Application for eligibility of the Mark Richey Woodworking Wind Farm Generation Unit as a Renewable Energy Resource. Discussion of this docket was postponed.

4041 – National Grid (NGrid) – The Commission reviewed the docket and NGrid's request for clarification regarding the filing due date of the Company's Annual Reconciliation Filing. The following rulings were made:

- 1) Commissioner Bray moved to defer ruling to approve NGrid's Standard Offer Tariff 2012 in light of the Commission's decision to order spot market pricing for 5% of the small customer load for the period January 2010-September 2010. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- 2) Commissioner Bray moved to extend the effective date of National Grid's Annual Reconciliation Filing rate changes to coincide with the distribution rate change in March 1, 2010. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4061 – Providence Water Supply Board (PWSB) – The Commission reviewed the record and the Settlement Agreement entered between all the parties, PWSB, the Division and Kent County Water Authority. The Agreement would provide PWSB with additional revenues of \$3,355,348 or 5.9% to provide total pro forma revenues of \$60,262,498.

Commissioner Bray moved to approve the Settlement Agreement with a proposed modification to the 5% Operating Revenue Allowance in the Settlement. The modification is to continue the 3% Operating Revenue Allowance with the 1% Operating Reserve, but allow Providence Water to collect the additional 2% requested in rates, or approximately \$92,000 per month (\$1.1 million annually). Providence Water is required to deposit \$92,000 per month into its IFR account in addition to the amount they would otherwise be depositing. Commissioner Roberti seconded the motion. Chairman Germani dissented. **Vote 2-1.** Approval of the Settlement Agreement is conditional with the parties' acceptance of the Commission's proposed modification.

3832-A - Providence Water Supply Board (PWSB) – The Commission reviewed PWSB's September 1, 2009 request to transfer funds of \$1,565,650 from the restricted revenue fund to the operating fund as of June 2009 to cover revenue shortfalls resulting from reduced consumption levels. After review, Commissioner Bray found that PWSB satisfied the requirements for drawing the \$1.9 million from the Operating Reserve and

moved to approve PWSB's request to transfer funds. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4067 – Kent County Water Authority (KCWA) – KCWA filed on September 21, 2009 an amended motion to pass through the wholesale rate increase reflected in the Settlement Agreement in Docket 4061. The Division filed a memo summarizing its review and recommending that contingent upon PUC approval of the wholesale rate in Docket 4061, KCWA's motion to pass through the new wholesale rate be approved. Based on the conditional approval in Docket No. 4061, Commissioner Bray moved to approve KCWA's amended motion. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

The meeting adjourned at 10:50 A.M.