

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held October 30, 2015

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

Chairperson Curran called the open meeting to order at 9:40 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Minutes of Open Meeting held on September 28, 2015 - Commissioner DeSimone moved to approve the minutes and Chairperson Curran seconded the motion. **Vote 2-0.** Commissioner Roberti abstained as he did not participate at this meeting.

Minutes of Open Meeting held on October 16, 2015 - Commissioner Roberti moved to approve the minutes. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Competitive Telecommunications Service Providers Dockets

The PUC agreed that this will be the last time the PUC will include telecommunication tariff filings on the open meeting agenda. Telecommunication tariff filings go into effect without suspension, even if the PUC does nothing; there is nothing to add because of the robust competition that exists in the telecommunication sector. The PUC can rest assured that everything is operating as the market dictates. The practice has been that the PUC approves them without any real issues. At the outset of when a tariff filing is submitted and reviewed, if the Division has a concern as to a filing, the PUC will deliberate the matter at an open meeting. Pursuant to R.I. Gen. Laws §39-3-11, the only legitimate action the PUC takes is to suspend a tariff pursuant to authority. Unless there is an action to take, the PUC agreed that it will no longer include telecommunication tariff filings at open meetings.

The following companies filed tariff revisions to their existing tariffs (on date). The Division has reviewed the tariff filings and recommends that they be allowed to go into effect without suspension:

- 4486 - Crosstel Tandem, Inc. (10/2/15)
- 4511 – Hypercube Telecom, LLC (tariff filing 10/13/15)
- 3985 – McGraw Communications, Inc. (tariff filing 9/30/15)
- 2262(B19) – McGraw Communications, Inc. (tariff filing 9/30/15)
- 2262(A6) – SBC Long Distance, LLC (tariff filing 10/13/15)

After review, Commissioner Roberti moved to approve the tariff filings as submitted. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0.**

1725 – Rules and Regulations Governing Termination of Residential Electric, Gas, and Water Utility Service – The PUC reviewed the George Wiley Center’s October 14, 2015 request to adopt emergency rules and all responsive pleadings. After review, Chairperson Curran moved to find that an emergency does exist requiring the PUC to grant the request to promulgate emergency rules. Chairperson Curran moved to adopt the emergency termination rules adopted in 2014, but with two modifications: elimination of the same tier payment structure and adoption of a single 15% down payment towards the arrearage balance to restore service. All other provisions of the emergency rules adopted in 2014 will remain in place. The emergency rules will be in effect from November 4, 2015 through December 4, 2015. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4473 & 4474 – The Narragansett Electric Company d/b/a National Grid -The PUC reviewed the record regarding National Grid’s requests to reconcile its Infrastructure, System, and Reliability revenue requirements for both electric and gas due to the Company’s failure to recognize Net Operating Losses it had for fiscal year 2015.

National Grid also sought to recover for both electric and gas understated revenue requirements for failure to properly reflect Net Operation Losses in fiscal years 2012, 2013, and 2014. In Docket No. 4473, National Grid requested to recover a one-time adjustment of \$1,410,826 for its understated revenues in the Company’s prior electric Infrastructure, System, and Reliability revenue requirement for fiscal years 2012, 2013, and 2014. In Docket No. 4474, National Grid requested to recover a one-time adjustment of \$3,537,706 for its understated revenue requirement in the Company’s prior gas Infrastructure, System, and Reliability revenue requirement for fiscal years 2012, 2013, and 2014.

After deliberation, the following motions were made:

- 1) Commissioner DeSimone moved to grant full recovery of the effect of the Net Operating Losses for both electric (\$760,233) and gas (\$3.1 million) FY 2015 Infrastructure, System, and Reliability reconciliation. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- 2) Commissioner DeSimone moved to grant recovery of the effect of the Net Operating Losses for both electric and gas FY 2012, FY 2013, and FY 2014 ISRs evenly over three years and without carrying costs as recommended by the Division. Commissioner Roberti concurred with Commissioner DeSimone that recovery should be no more than three years because of the lack of certainty when recovery will take effect. Commissioner Roberti seconded the motion. Chairperson Curran moved to grant recovery of Net Operating Losses, but dissented on how the recovery was taken. Chairperson Curran supported immediate recovery of Net Operating Losses for FY 2014 and FY 2015 but future recovery of Net Operating Losses for FY 2012 and FY 2013 at a time when

the company has taxable income against which to take advantage of the Net Operating Losses. **Vote 2-1.**

4473 – National Grid - The PUC reviewed National Grid's FY 2015 Electric Infrastructure, System and Reliability reconciliation filing. After review, Commissioner Roberti moved to approve the Company's FY 2015 Infrastructure, System, and Reliability reconciliation filing as revised on October 15, 2015. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4573 – National Grid – National Grid filed its 2015 Distribution Adjustment Charge Filing and associated charges on August 3, 2015; supplemented the filing on September 1, 2015; and revised on October 15, 2015. After review, Commissioner Roberti moved to approve 1) the Company's proposed Distribution Adjustment Charge factors as revised on revised on October 15, 2015; and 2) the Company's request to extend the filing date of the Earnings Sharing Report from July 1 to August 28 to coincide with the Company's FERC filing. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4576 – National Grid – National Grid submitted its 2015 Gas Cost Recovery Filing and associated charge on September 1, 2015 and revised on October 23, 2015. After review, Commissioner DeSimone moved to approve 1) the Company's Gas Cost Recovery factors as revised on October 23, 2015; 2) a BTU Factor - 1.031; and 3) the Company's request to extend the date to file its quarterly report for the Natural Gas Portfolio Management Program from the 25th day of the month following the end of the quarter to the 1st business day of the 2nd month following the end of the quarter. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4518 – National Grid – National Grid submitted its Pension Adjustment Factor and annual pension and other post-employment benefits reconciliation filing on September 1, 2015 and revised on October 13, 2015. After review, Commissioner DeSimone moved to approve the Company's Pension Adjustment Factor and reconciliation filing as submitted on October 13, 2015. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4574 – National Grid - There was no discussion of this docket because the PUC rendered a bench decision at the hearing held on October 29, 2015 in this docket.

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Minutes of Open Meeting held on October 16, 2015 - Commissioner Roberti moved to approve the minutes. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

The open meeting adjourned at 10:38 A.M.