

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held November 10, 2005

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

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

3706 – Narragansett Electric Co.: The Company submitted a Standard Offer (SO) Service Adjustment filing seeking to increase the SO rate from 8.2¢ per kWh to 10.2¢ for effect December 1, 2005. The Division filed a request noting that the Company offered an alternative implementation date of 1/1/06. The Division needed more time to review and requested suspension of Company's 12/1/05 effective date. Chairman Germani asked for a motion and Commissioner Bray moved to suspend the Standard Offer rate beyond 12/1/05. The motion was seconded by Commissioner Holbrook and unanimously passed. The motion to suspend was passed. **Vote 3-0.**

In anticipation that the Company will file its annual reconciliation of transition and transmission costs on 11/15/05, and that the Commission has the most current numbers at the time of the hearing which is scheduled on 12/12/05, Chairman Germani entertained a motion to required the Company to file updated numbers by November 30, 2005 for the standard offer rate. Commissioner Holbrook seconded the motion and further requested that the Company also file a second set of numbers based on their judgment and modify the NYMEX strip accordingly to see what the end result would be. Commissioner Bray supported both Commissioners' motion. **Vote 3-0.**

Competitive Telecommunications Service Providers: The following company filed an application for authority to operate in RI. The Division has reviewed the application and recommends approval of:

2262(E20) – Asia Talk Telecom, Inc. d/b/a HelloCom Inc.

After review, Chairman Germani asked for a motion and Commissioner Bray moved to approve the application. The motion was seconded by Commissioner Holbrook and unanimously passed. Motion to approve the application of the above company was passed. **Vote 3-0.**

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

2486 – MCImetro Access Transmission Service (tariff filing 10/14/05)

2621 – MCI WorldCom Communications (tariff filing 10/14/05)

2628 – Level 3 Communications, LLC (tariff filing 10/18/05)

2426 – TCG Rhode Island (tariff filings 10/11 & 10/13/05)

2618 – AT&T Communications of RI, Inc. (tariff filings 10/13, 10/25 & 11/1/05)

2535 – Cox RI Telcom, LLC (tariff filing 10/11 & 10/28/05)
3059 – Broadview Networks, Inc. (tariff filing 10/25/05)
3028 – Qwest Communications Corp. (tariff filing 10/18/05)
2472 – Sprint Communications (tariff filing 10/31/05)
2702 – Verizon Select Services, Inc. (tariff filing 10/27/05)
2262(E6) – SBC Long Distance, Inc. (tariff filing 11/1/05)
2262(E18) – Broadwing Communications, LLC (tariff filing 10/21/05)
2262(V1) - MCI WorldCom Network Services, Inc. (tariff filing 10/14/05)
2262(P7) - MCI WorldCom Communications, Inc. (tariff filing 10/14 & 11/1/05)
2262(K5) – ALLTELL Communications, Inc. (tariff filing 10/28/05)
2262(G16) – NYNEX Long Distance (tariff filing 10/19/05)
2262(F16) – Bell Atlantic Communications (tariff filing 10/19/05)
2262(E6) – SBC Long Distance, LLC (tariff filing 10/17/05)
After review, the Commission followed the Division’s recommendation that the tariff filings be allowed to go into effect without suspension.

The following companies are not in compliance with the "Regulations and Fee Schedules for Telecommunications Providers". The regulations set forth annual assessment fees for telecommunications providers for costs incurred by the Commission and Division in docketing, investigation, and decision-making. These annual fees are due each July 1. Failure to comply with the regulations results in the cancellation of authority to operate in this state. The Division filed a memorandum indicating that these companies have failed to make their annual registration payment and recommends that their authority to conduct business in RI be terminated, cancelled and rescinded for non-payment of annual registration fee:

2864 – DSLnet Communications, LLC
3373 – KMC DATA, LLC
3418 – Lightyear Communications
3019 – OneStar Long Distance, Inc.
2262(U3) – CI2, Inc.
2262(L2) – Citizens Communications
2262(M18) – Colorado Communications Network, Inc.
2262(S15) – Eastern Telephone, Inc.
2262(T16) – ECI Communications, Inc.
2262(C7) – Electric Lightwave, Inc.
2262(14) – ESS.COM, LLC
2262(A18) – Exergy Group, LLC
2262(K18) – Fox Communications Corp.
2262(O13) – FreedomStarr Communications, Inc.
2262(D18) – Global Communications Consulting Corp.
2262(D16) – Global Crest Communications, Inc.
2262(G5) – Intercontinental Communications Group, Inc.
2262(A17) – Kiger Telephone & Telephony, LLC
2262(F) – Lightyear Communications, Inc.
2262(N3) – Lightyear Telecommunications, LLC
2262(T10) – NeTel, Inc.
2262(P8) – New Century Telecom, Inc.

2262(K3) – North American Telephone Network, LLC

2262(T18) – NorVergence, Inc.

2262(A16) – Optical Telephone Corp.

2262(U17) – Via One Technologies, Inc.

2262(N16) – Weston Telecommunications, LLC

2262(Q18) – Worldnet Communications, Inc.

Chairman Germani entertained a motion to rescind and recall the authority of the above companies. The motion was seconded by Commissioner Bray and unanimously passed. Motion to rescind the authority of the above companies was passed. **Vote 3-0.**

Verizon Rhode Island Interconnection Agreements (ICA): The following amendment to ICA was submitted for approval. The Division has reviewed the amendment and recommends approval of:

2448 – Amendment No. 4 to ICA between Verizon RI and TCG Rhode Island

2458 – Amendment No. 3 to ICA between Verizon RI and AT&T Communications of RI

After review, Chairman Germani entertained a motion to approve the ICAs amendments and Commissioner Bray moved. The motion was seconded by Commissioner Holbrook and unanimously passed. Motion to approve the ICAs amendments was passed. **Vote 3-0.**

3675 – Newport Water Division: The Commission reviewed the record regarding the Stipulation and Settlement entered between the parties, the Newport Water Division, Division of Public Utilities & Carriers, Dept. of Navy and Portsmouth Fire & Water District. After a summary and recommendation by Commission Staff, Chairman Germani moved to accept the Staff’s recommendation and approve the following:

- To eliminate the reporting requirement of Ms. Forgue’s accounting of her time allocated between the Water Division and the Public Works Department.
- To consolidate the debt service and capital restricted accounts but to have each reported on separately.
- To approve the Settlement. The Settlement will allow Newport to collect additional operating revenue in the amount of \$1,513,407 to support a total cost of service of \$9,284,455, resulting in a 19.47% increase in the total cost service.

Commissioner Bray moved to approve the motion. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3674 – Pawtucket Water Supply Board (PWSB): The Commission reviewed the record regarding the PWSB’s proposed rate increase filing and the parties’ position. Commission Staff summarized the outstanding issues and recommended the following:

- To approve a rate year consumption based on a two-year average for residential and commercial consumption, use of test year for industrial consumption, and the Town of Cumberland’s projection for wholesale consumption. Rates shall be based on rate year consumption of 5,157,437 hcf.

- To allow funding for 57 employees including the five new employees that would be hired if Pawtucket Water completes the purchase of the Central Falls system. Funds for the five new employees shall be restricted until the closing of the sale. Also, funding for temporary employees is set at the test year level. Franchise fees that are in rates and collected for the year commencing 1/1/07 shall be allocated to the salaries and benefits of the five employees hired for work on the Central Falls system.
- To approve the purchase of the Central Falls system at the negotiated price of \$1.1 million. The sale is expected to take place in June 2006, thereby leaving Pawtucket Water to collect franchise fees for the second half of 2006. In its quarterly report ending December 2006, Pawtucket Water is instructed to provide actual account balance of the funds; and for Commission's consideration, Pawtucket Water is requested to recommend where to apply the excess funds.
- To cease funding for the water treatment plant reserve account.
- To use a five-year average to derive miscellaneous revenues.
- To eliminate Pawtucket Water's adjustment to electricity expense.
- To adopt operating revenue allowance at 1.5% of operating revenues.
- The following accounts will continue to be restricted: Debt Service, O&M reserve, IFR, Central Falls Franchise Fees and Capital Leases. PWSB shall also create the following restricted accounts: Calgon Royalties Account and Central Falls System Funds Account. The Central Falls System Funds Account may be unrestricted at the time of the closing on the Central Falls System purchase and shall be used for the specific purposes outlined by PWSB in its testimony.

Commissioner Holbrook moved to adopt the Staff recommendation. The motion was seconded Chairman Germani. **Vote 2-0.** Commissioner Bray recused herself from the decision as she had not participated in the docket. As approved, Pawtucket Water is authorized to collect additional revenues of \$1,259,117 to support a total rate year revenues of \$17,876,112, resulting in a 7.6% increase in the total cost service

A transcript of the Commission's November 10, 2005 open meeting discussion on the above dockets is available at the office of the Commission Clerk.

The open meeting adjourned at 2:23 P.M.