

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held December 19, 2006

Attendees: Chairman Elia Germani, Commissioner Robert Holbrook, Commissioner Mary Bray, Steve Frias, Patricia Lucarelli, Thomas Massaro, Alan Nault, Douglas Hartley and Luly Massaro.

Chairman Germani called the open meeting to order at 10:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Minutes of Open Meeting held on December 7, 2006: After review, Chairman Germani moved to approve the minutes. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Competitive Telecommunications Service Providers

The following company submitted an application for authority to provide telecommunications service in R.I. The Division has reviewed the application and recommends approval of:

2262(R20) – Multiline Long Distance, Inc.

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

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

2535 – Cox RI Telcom LLC (tariff filing 12/1/06)

2618 – AT&T Communications of NE, Inc. (tariff filings 11/22, 12/1, /06)

3059 – Broadview Networks, Inc. (tariff filing 11/21/06)

2472 – Sprint Communications (tariff filing 12/1/06)

2262(J20) – Embarq Communications, Inc. (tariff filing 12/4/06)

2262(O2) – NOS Communications, Inc. (tariff filing 11/29/06)

2262(P2) – NOSVA Limited Partnership (tariff filing 11/29/06)

2262(Q2) – Affinity Network (tariff filings 11/24 & 11/29/06)

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

The following company ceased operations in RI and requested to have its authority to operate cancelled:

3067 – SNET Diversified Group, Inc.

After review, Chairman Germani asked for a motion and Commissioner Bray moved to rescind the authority of the company. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3796 – Verizon Rhode Island – Verizon submitted a tariff to introduce Bundle Discount to offer monthly discounts to Regional Essentials customers who also subscribe to an

unlimited domestic long distance calling plan and one other offering purchased through or billed by Verizon for effect January 1, 2007. The Division filed a memo indicating that it has reviewed Verizon's tariff filing and finds that it conforms to the requirements of Verizon's Successor Alternative Regulation Plan and Order No. 18550. After review, Chairman Germani entertained a motion to approve and Commissioner Holbrook moved to approve Verizon's filing. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3569 – Providence Water Supply Board (PWSB) – PWSB submitted a tariff filing to increase the Optional Credit Card or Web Page Provision transaction fees for residential and commercial customers for effect January 1, 2007. The current fees are based on 2.6% of the estimated average payment amounts for residential and commercial customers. PWSB maintains that the credit card vendor increased the fees because the actual payment amount is higher than the estimated amount and the vendor is losing money. PWSB seeks to revise the fee to reflect 2.6% of the actual average payment amounts. The proposed fee will increase from \$3.25 to \$5.95 for residential and \$6.95 to \$16.25 for commercial customers.

The Commission expressed concern with the proposed fee structure at 2.6% of the actual average payment. After discussion, Commissioner Bray moved to suspend PWSB's tariff and requested that PWSB try to negotiate with the vendor a new actual cost fee or a different fee structure. Chairman Germani seconded the motion to suspend and the motion was unanimously passed. **Vote 3-0.**

3800 – City of Woonsocket Water Division (WWD) – WWD filed a rate application to collect additional operating revenues of \$1,720,064 or 24.92% for effect January 8, 2007. After review, Chairman Germani moved to suspend WWD's proposed rates for the purpose of conducting investigation and hearing. The motion was seconded by Commissioner Bray and unanimously passed. **Vote 3-0.**

3797 – Narragansett Bay Commission (NBC) – NBC filed a rate application to collect additional revenues of \$4,798,797 or 7.09% for effect January 1, 2007. After review, Chairman Germani moved to suspend the NBC's proposed rates for the purpose of conducting investigation and hearing. The motion was seconded by Commissioner Bray and unanimously passed. **Vote 3-0.**

3762 – Interstate Navigation Co. – Discussion of this docket was postponed until the Town of New Shoreham files its brief.

3779 – National Grid (NGrid)– The Commission reviewed the Settlement Agreement entered by the parties seeking approval of NGrid's 2007 Demand Side Management Programs and budget. The Commission endorsed the 2007 DSM programs noting that it is similar to the 2006 DSM. The Commission requested that National Grid explore more means of advertisement through the Public Broadcast Service, to promote the DSM programs so that ratepayers can take advantage of the programs. After review, Chairman Germani moved to approve the Settlement Agreement. Commissioner Bray seconded the motion to approve the Settlement Agreement and the motion was unanimously passed. **Vote 3-0.**

3778 – National Grid – The Commission discussed the NGrid’s 2007 Annual Retail Rate Filing consisting of several rate changes effective January 1, 2007. The following issues were deliberated upon:

- Chairman Germani moved to approve a Standard Offer Service rate of \$0.083 per kWh effective for consumption on and after January 1, 2007, and direct NGrid to file for a rate adjustment if the projected Standard Offer over or under collection exceeds \$23 million. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani moved to approve a Transition Charge of \$0.00559 per kWh effective for consumption on and after January 1, 2007. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani moved to approve a Transmission Adjustment Factor of \$0.00474 per kWh effective for consumption on and after January 1, 2007 with the issue of a change on Transmission Base Rate to be deferred to a later date in a separate docket. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani moved to return an additional \$2 million of CTC Settlement Funds to the A-60 rate class through an additional per kWh reduction to the already reduced distribution charge on the first 450 kWh of use effective on bills rendered on and after January 1, 2007, and that NGrid shall maintain the remaining \$4 million of CTC Settlement Funds in an interest bearing account for the benefit of the ratepayers until further action by the Commission. Commissioner Bray seconded the motion. Commissioner Holbrook opposed taking \$2 million of the remaining CTC Settlement Funds and applying it to the A-60 rate class, therefore, he dissented. **Vote 2-1.**

3790 – National Grid – The Commission reviewed NGrid’s first phase proposal to implement Gas Energy Efficiency Programs and implement a charge of \$0.063 per decatherm to fund the programs for effect January 1, 2007. The second phase, to be filed on or after February 1, 2007, will include final program-specifics budgets, benefit/cost analysis, proposed goals and a shareholder incentive mechanism, and reporting requirements. The Division has filed a memo indicating the charge is legislatively mandated by “The RI Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006” and recommends that the charge to be applied to all firm and non-firm throughput for usage on and after January 1, 2007. After review, Chairman Germani moved to approve the charge of \$0.063 per decatherm on an interim basis subject to examination of the February 1 filing and final decision. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3761 – Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service – After review of comments and reply submitted to the proposed addition of Section IX. Summer Moratorium of the rules, Chairman Germani moved to reject AARP’s comments to add language “excessive heat watch” and clarified

the language rules to mirror the National Weather Service. He moved to amend and adopt the rules incorporating the changes as discussed. Commissioner Bray moved to second the Chairman's motion. The motion was unanimously passed. **Vote 3-0.**

George Wiley's Petition (dated December 4, 2006) requesting that the Commission "open a docket on the issue of illness as a reason for the protection of the person against a shut-off of a utility company doing in business in R.I." After review and discussion, Chairman Germani moved to deny the George Wiley's petition and propose no rulemaking at this time. Commissioner Bray seconded the motion and the motion was unanimously passed. **Vote 3-0.** Commissioner Bray, however, requested a meeting with the parties to discuss and clarify the applicability of the rules on serious illness. The meeting will be with National Grid, the George Wiley Center, the Division of Public Utilities and the Dept. of Health.

The open meeting adjourned at 10:45 A.M.