

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held December 20, 2013

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

Chairperson Curran called the open meeting to order at 9:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

4450 – Rules and Regulations Governing the Termination of Residential Electric and Natural Gas Service – Chairperson Curran noted that the rules are intended to protect the consumer by removing the overlap between the agencies. Instead, it has created confusion amongst consumers, thinking they would be subject to arbitrary termination. Chairperson Curran requested that the PUC hold more public hearings in the service areas.

Competitive Telecommunications Service Providers Dockets

The following companies submitted revisions to their existing tariffs. The Division reviewed the tariff filings and recommended that they be allowed to go into effect without suspension:

- 4157 – tw telecom data services llc (tariff filing 12/10/13)
- 2878 – Choice One Communications of RI (tariff filings 12/2/13)
- 3036 – CTC Communications Corp. (tariff filing 12/2/13)
- 2736 – Conversent Communications of RI, LLC (tariff filing 12/2/13)
- 3008 – New Edge Network, Inc. (tariff filing 12/2/13)
- 2262(D5) – DeltaCom, Inc. (tariff filing 12/2/13)
- 2262(G1) – Business Telecom, Inc. (12/2/13)
- 2262(A6) – SBC Long Distance, LLC (tariff filings 12/2 & 12/11/13)
- 2262(K) – SNET America, Inc. (tariff filing 12/6/13)
- 2262(E2) – Teleconnect Long Distance Services & Systems (tariff filing 12/2/13)

After review, the PUC followed the Division's recommendation to allow the tariffs to go into effect without suspension.

Narragansett Bay Commission (NBC) – NBC filed on December 3, 2013 a rate application to collect additional revenues of \$4,685,917, or 5.05%, to support a total revenue requirement of \$97,437,588. Contemporaneous with the application, NBC filed a Motion for Exemption from the filing requirement of Rule 2.6 of the PUC's Rules of Practice and Procedure so that it may be permitted to use a different test year. After review and discussion, Commissioner Roberti moved to deny NBC's motion. Chairperson Curran seconded the motion. Commissioner DeSimone dissented. He supported permitting the exemption but take the full suspension period to examine the application. **Vote 2-1.**

4417 - Kent County Water Authority (KCWA) – KCWA filed on November 27, 2013 a Motion to Pass Through the Providence Water's wholesale rate increase that was approved by the PUC in Docket No. 4406. After review, Commissioner DeSimone moved to approve KCWA's motion and compliance rates effective on or after December 20, 2013. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4290 – Rhode Island Office of Energy Resources (OER) – The PUC review the record relating to the Office of Energy Resources' (OER) October 7, 2013 proposed Low Income Home Energy Assistance Program (LIHEAP) Enhancement Plan Rate for 2014 and proposed LIHEAP monthly charge of 83¢ to be collected from National Grid's electric and gas distribution customers effective January 1, 2014. After review, the following motions were made:

1) Commissioner Roberti moved that the LIHEAP fund account accrue interest on balances. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0**

2) DeSimone moved to adopt the Division's recommendation to implement a LIHEAP monthly charge of 73¢. Commissioner Roberti seconded the motion. Chairperson dissented with the majority. Chairperson dissented with the majority. Chairperson Curran supported OER's (and DHS) recommendation to keep a LIHEAP monthly charge of 83¢ and to make changes as deemed necessary, after a full year of administering the LIHEAP funds. **Vote 2-1.**

The PUC requested that National Grid work with DHS to develop a reporting mechanism of the funds and the report is due by July 2014.

4451 -National Grid – The PUC reviewed the record regarding the November 1, 2013 Settlement of the Parties seeking approval of National Grid's Energy Efficiency Program (EEP) Plan for 2014, including proposed budget and associated EEP charge for implementing electric and gas energy efficiency programs. The Settlement was jointly submitted by National Grid, the Division of Public Utilities and Carriers, The Energy Council of Rhode Island, Environment Northeast and the subcommittee of the RI Energy Efficiency and Resource Management Council. After review, Commissioner DeSimone moved to approve the Settlement Agreement as presented and supplemented by National Grid. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.** Commissioner DeSimone expressed his concern with the cost of the program noting that it has doubled from \$37.6 million in 2006 to \$87.5 million at the present time. If the program continues at the present rate, customers will be paying \$10 a month. He indicated that the pace of expenditures needs to slow down because it is becoming costly to the customer. Commissioner DeSimone also suggested an enhancement need to put the charges in front bill (instead of back) so that the customer can see.

Commissioner Roberti concurred w/ Commissioner DeSimone and advocated for a moderate sustained pace of program expenditures. With expenditures this large, a cost

benefit analysis would be beneficial and help to understand where the dollars are being spent and who is benefitting. He suggested a technical session to delve into these areas, cost benefit ratios.

Chairperson Curran supports these programs noting that for each dollar spent on EE, it saves more on the other side; however she sympathized with the points raised by PR & DH.

4453 - National Grid – The PUC reviewed the record regarding the November 1, 2013 Settlement Agreement for approval of the 2014 System Reliability Procurement Report, including a proposed budget and associated charge to continue the third year of the Load Curtailment Pilot. The report was jointly submitted by National Grid, the Division of Public Utilities and Carriers, The Energy Council of Rhode Island, Environment Northeast and the subcommittee of the RI Energy Efficiency and Resource Management Council. After review, Commissioner Roberti moved to support approval of the Settlement Agreement. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4393 – National Grid – This docket relates to the PUC's review of National Grid's November 21, 2013 proposed Standard Offer Service (SOS) rates for the Residential Group and Commercial Group for the period January 2014 through June 2014. There was no discussion of this docket because the PUC rendered a bench decision at the December 18, 2014 hearing.

4412 – National Grid – The PUC reviewed National Grid's November 15, 2013 filing proposing a Long-Term Contracting for Renewable Energy Recovery (LTCRER) credit factor of (0.007) cents per kWh for the period January 2014 – June 2014. The Division filed on November 27 a memorandum finding the calculation of the LTCRER in compliance with PUC's Order 20925 issued in Docket 4338, approving National Grid's LTCRER tariff provision. On December 6, National Grid subsequently revised the LTCRER to a credit factor of (0.021) cents per kWh in response to PUC data request (which incorporates the Black Bear Orono B project in the calculation of the LTCRER). After review, Commissioner DeSimone moved to approve National Grid's proposed LTCRER factor as revised. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4465 – National Grid – After review, Commissioner Roberti moved to approve National Grid's July 1, 2013 Renewable Energy Standard Annual Compliance Filing for Year 2012. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Renewable Energy Resources Eligibility Generation Units Dockets

The PUC reviewed and ruled on the renewable energy resources eligibility applications submitted in the following dockets by:

- 4410 – Forbes Street Solar, LLC filed an application seeking certification for the Forbes Street Solar Generation Unit, a 3.0 MW solar energy generation unit located in Riverside, Rhode Island, as an eligible New Renewable Energy

Resource. PUC Consultant filed a memorandum recommending approval. After review, Commissioner DeSimone moved to approve the eligibility application as recommended by PUC Consultant. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- 4421 – Mini-Watt Hydroelectric, LLC filed an application seeking certification for the Orange #1 and Orange #2 (Mini-Watt Hydroelectric) Generation Unit, a 0.455 MW small hydro energy generation unit located in Orange, Massachusetts, as a resource capable of producing as both an eligible New (37%) and Existing (63%) Renewable Energy Resource. PUC Consultant filed a memorandum recommending approval. After review, Commissioner DeSimone moved to approve the eligibility application as recommended by PUC Consultant. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- 4408 – Howard Wind LLC filed an application seeking certification for the Howard Wind Farm Generation Unit, a 55.35 MW wind energy generation unit located in Hornell, New York, as an eligible New Renewable Energy Resource. Because the facility was located adjacent to a NEPOOL control area, it filed a bilateral contract to meet the requirement for eligibility. ??? filed an objection to the bilateral contract. PUC Consultant filed a memorandum finding the Howard Wind facility qualifies as a New Renewable Energy Resource and recommended approval of the application. After review and discussion, the following motions were made:
 - 1) Commissioner Roberti moved to find that the parties have a bilateral contract to satisfy the Rules Governing the Implementation of a Renewable Energy Resource. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

 - 2) Commissioner Roberti moved to approve the eligibility application as recommended by PUC Consultant. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4404 - Review into the Adequacy of Renewable Energy Supplies pursuant to R.I.

Gen. Laws § 39-26-6(d) – The PUC discussed and review the record to determine whether there is adequate renewable energy supplies to meet the increase in the percentage requirement of energy from renewable energy resources in 2015. Commissioner DeSimone found the Division's testimony compelling, finding that there is a shortage of supply in RECs because of delays in the PPA projects (Bowers, Champlain, Deepwater and Orbit PPAs) and uncertainty of when the projects will be operational. Commissioner DeSimone moved to adopt the recommendation of the Division to delay the scheduled 1.5 percent increase requirement of energy from renewable energy resources in year 2015. Commissioner Roberti concurred and seconded the motion. Commissioner Curran found that there is potential adequacy to increase the percentage requirement subject to review.

The open meeting adjourned at 10:40 A.M.