

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held December 23, 2008

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

Commissioner Holbrook 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.

Competitive Telecommunications Service Providers

The following company filed an application for authority to operate as telecommunications service provider. The Division has reviewed the application and recommends approval of:

4021 – Mitel NetSolutions, Inc.

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

The following companies submitted tariff revisions. The Division has reviewed the tariff revisions and recommends that they be allowed to go into effect without suspension:

2472 – Sprint Communications (tariff filing 12/11/08)

3903 – Bandwidth.com CLEC LLC (tariff filing 12/10/08)

3647 – XO Communications Services, Inc. (tariff filings 12/8/08)

2618 – AT&T Corp. (tariff filing 12/4/08)

3686 – BellSouth Long Distance, Inc. (12/2/08)

3820 – Granite Telecommunications, LLC (12/3/08)

2262(I18) – Communication Solutions Partners, Inc.

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

3698 – Pac-West Telecomm, Inc. – Pac-West's authority to operate was mistakenly rescinded. Chairman Germani moved to reinstate the authority of Pac-West Telecomm. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4005 – Pascoag Utility District – The Commission reviewed the record, deliberated and took action on Pascoag's proposed Demand Side Management (DSM) programs. Chairman Germani entertained a motion to approve Pascoag's DSM programs and budget of \$115,000 effective January 1, 2009. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.** The reallocation of funds up to 10% of total DSM budget be subject to Division review and approval; reallocation of greater than 10% of total budget require Commission approval.

4006 – Pascoag Utility District – The Commission reviewed, deliberated and took action regarding Pascoag's proposed rate reconciliation filing. Commissioner Bray moved to approve the following motions:

- To approve Pascoag's revised Standard Offer rate of \$0.06338 per kWh, Transmission Charge of \$0.03294 per kWh and Transition Charge of \$0.01411 per kWh effective January 1, 2009. This represents an increase to the overall reallocation factor of \$0.00999 to \$0.11043 per kWh.
- To discontinue requiring Pascoag to file mid-year status reports and instead file monthly reports with the Division reflecting over or under collections.
- To accept the information about its portfolio provided by Pascoag regarding supply procurement as sufficient to satisfy the supply procurement plan requirement set forth in R.I. Gen. Laws §39-1-27.8.

Commissioner Holbrook seconded the motions and the motions were unanimously passed. **Vote 3-0.**

4000 – National Grid (NGrid) – The Commission reviewed the record regarding the Settlement Agreement for approval of the 2009 DSM programs and associated budget for National Grid, including an electric DSM charge of \$0.0032 per kWh and gas DSM charge of \$0.150 per dekathem. After review, Chairman Germani entertained a motion to approve the Settlement Agreement. Commissioner Bray moved to approve the Settlement Agreement. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3931 – National Grid – After review, the Commission requested that the parties file written comments within 90 days regarding the Company's System Reliability Plan (SRP) and associated budget. Commissioner Bray moved to defer a decision on the SRP until the Commission has had the opportunity to review the written comments and recommendations from the parties. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3999 – National Grid – The Commission reviewed the record relating to NGrid's proposed amendment to the Qualifying Facilities Purchase Power Rate and took action on the following outstanding issues:

- Chairman Germani entertained a motion to accept the Company's position to apply net metering credits to municipalities, up to a maximum of five. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0**
- Chairman Germani entertained a motion that the maximum size of an eligible net metered energy system under R.I.G.L. 39-26-6(g)(1) where a municipality does not own 100% of the project is 2.25 MW. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani entertained a motion to require National Grid to issue credits to the entity that owns the net metering facility. The credit will be calculated

based on the size of the unit installed and the size of the utility equipment required to serve the customer. Commission Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- Chairman Germani entertained a motion to require National Grid to establish the Renewable Energy Low Income Fund by creating an interest bearing account similar to other reconciliation accounts with annual reporting to the Commission containing a reconciliation and proposal for the distribution to low income rate class. Commission Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani entertained a motion that NGrid carry over \$31,000 lost revenues from 2008 into a future reconciliation filing. Commission Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

NGrid's proposed QF Purchase Power Rate is hereby approved with the modifications herein deliberated upon at this open meeting effective January 1, 2009.

4012 – National Grid – The Commission reviewed the record regarding NGrid's proposed Renewable Energy Procurement Plan for 2009, deliberated and took action on the following outstanding issues:

- Chairman Germani entertained a motion to approve the continuation of the three-year plan approved by the Commission for 2007 and 2008 designed to dollar cost average the purchase of RECs with no long term contract. Commission Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani entertained a motion to approve a RES Charge of 0.93¢ per kWh effective January 1, 2009 applicable to both the Standard Offer Service and Last Resort Service customers. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4011 – National Grid – The Commission reviewed the record regarding NGrid's annual retail rate reconciliation, deliberated and took action on the following outstanding issues:

- Chairman Germani moved to approve a standard offer rate of 9.2¢ per kWh effective January 1, 2009. Commissioner Bray seconded the motion. Commissioner Holbrook supported a standard offer rate of 9.5¢ kWh and he opposed. **Vote 2-1.**
- Commissioner Bray moved to approve a transmission service adjustment factor of 1.064¢ per kWh effective January 1, 2009. Chairman Germani seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Commissioner Bray moved to approve a transition charge of 0.322¢ per kWh effective January 1, 2009. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- Commissioner Bray moved to continue the application of last installment of the CTC Settlement funds, 1.306¢ per kWh credit to A-60 customers. Chairman Germani seconded the motion. Commissioner Holbrook opposed. **Vote 2-1.**
- The Commission deferred a decision regarding the application of additional remaining CTC Settlement funds at the end of 2009.

3762 - Interstate Navigation Company – The Commission reviewed the record regarding Interstate’s compliance filing to implement a CPI-U rate increase of 5.2% for effect January 1, 2009. The Commission deliberated and took action on the following outstanding issues:

- Chairman Germani entertained a motion finding that there is good cause under R.I.G.L. §39-3-12 to allow Interstate’s rate change without a hearing. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Germani entertained a motion to approve Interstate’s proposed CIP-U rate increase effective January 1, 2009. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4025 – City of Newport Water Division – Newport Water filed a rate application to implement new rates designed to generate additional revenues in the amount of \$3,353,023 or 28.8% for effect January 9, 2009. Chairman Germani moved to suspend Newport Water’s rates for six months beyond the effective date of January 9, 2009 to examine and hold hearings on the rate application. Commissioner Bray moved to approve the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Docket No. 1725 - It is moved that the Commission amend the open meeting agenda to add Docket No. 1725 for discussion only – Commissioner Bray moved to amend the agenda and Chairman Germani seconded the motion. The motion unanimously passed. **Vote 3-0.**

At the hearing in Docket No. 4011, an issue was raised regarding the interpretation of the winter moratorium. Does the moratorium apply and follow a protected customer when their service is terminated as a result of a move or change in residence? Commission Counsel noted that the termination rules do not address this issue. At this time the matter was postponed until further notice.

The meeting adjourned at 11:00 A.M.