

**State of Rhode Island and Providence Plantations
Public Utilities Commission**

Minutes of Open Meeting Held June 22, 2006

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

Chairman Germani called the open meeting to order at 2:30 P.M. in the first-floor hearing room of the Public Utilities Commission.

Minutes of Open Meetings held on May 25, 2006 - After review, Chairman Germani moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. Vote 3-0.

Competitive Telecommunications Service Providers

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

2618 – AT&T Communications (tariff filings 5/30, 6/6, 6/12/06)

2426 – TCG Rhode Island (tariff filings 6/12/06)

2535 – Cox RI Telcom (tariff filing 5/19/06)

3036 – CTC Communications Corp. (tariff filing 6/1/06)

2472 – Sprint Communications (tariff filing 5/24/06)

3632 – Talk America, Inc. (tariff filing 5/26/06)

- 2486 – MCImetro Access Transmission Services (tariff filing 6/1/06)**
- 2736 – Conversent Communications of RI (tariff filing 6/8/06)**
- 3666 – UCN, Inc. (tariff filing 6/5/06)**
- 3429 – AmeriVision Communications, Inc. (tariff filing 6/12/06)**
- 2262(P7) – MCI Communications Services, Inc. (tariff filing 6/1/06)**
- 2262(K8) – LDMI Telecommunications, Inc. (tariff filing 5/26/06)**
- 2262(P2) – NOSVA Limited Partnership (tariff filing 5/31/06)**
- 2262(Q2) – Affinity Network Inc. (tariff filing 6/1/06)**
- 2262(O2) – NOS Communications, Inc. (tariff filing 6/1/06)**
- 2262(A6) – SBC Long Distance, LLC (tariff filing 5/22, 6/1, 6/8 & 6/12/06)**
- 2262(D5) – ITC Delta.Com, Inc. (tariff filing 5/24/06)**
- 2262(F16) – Bell Atlantic Communications, Inc. (tariff filing 6/2/06)**
- 2262(G16) – NYNEX Long Distance Co. (tariff filing 6/2/06)**

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

The following companies ceased operations and requested that their authority to operate be rescinded:

- 3415 – Excel Telecommunications, Inc.**
- 3380 – VarTec Telecom, Inc**
- 3113 – SBC Telecom, Inc.**
- 2262(F18) – UNC, Inc.**
- 2262(C3) – Excel Telecommunications, Inc.**
- 2262(O) – VarTec Telecom, Inc.**

2262(D7) – VarTec Solutions, Inc.

After review, Chairman Germani entertained a motion to rescind the authority of companies as requested. Commissioner Bray seconded the motion and the motion was unanimously passed. Vote 3-0.

3747 – Verizon Rhode Island – Verizon submitted a tariff filing to grandfather termination and end-of-period options for the Business Exchange Measured Service 24-month term plan for customers of record on or before June 28, 2006. After review, Chairman Germani entertained a motion to suspend the filing and Commissioner Bray moved to suspend the tariff filing. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0.

3748 – Verizon Rhode Island – Verizon submitted a tariff filing to change certain rates for the Unlimited Local Usage for Business, and Unlimited Local and Toll usage for Business Plans for effect July 1, 2006. The Division has reviewed the filing and finds it in conformance with the requirements in Order No. 18850 in which the Commission approved Verizon’s Successor Alternate Regulation Plan. After review, Chairman Germani entertained a motion to approve the filing and Commissioner Bray moved to approve the filing. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0.

3749 – Verizon Rhode Island – Verizon submitted a tariff filing to reduce the month-to-month rate for Digital Centrex Plus Service from

\$37.00 to \$27.00 for effect July 1, 2006. After review, the Commission unanimously agreed to follow the Division's recommendation to allow the tariff filing to go into effect without suspension.

3750 - Verizon Rhode Island – Verizon submitted a tariff filing to change rates for the Verizon Regional Package, the Verizon Regional Package Extra, and the Verizon Regional Package Unlimited for effect July 1, 2006. The Division has reviewed the filing and finds it in conformance with the requirements in Order No. 18850 in which the Commission approved Verizon's Successor Alternate Regulation Plan. After review, Chairman Germani entertained a motion to approve the filing and Commissioner Bray moved to approve the filing. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0.

3588 – Verizon Rhode Island – The Commission considered Covad Communications' Motion for Relief from Commission's Final Order" concerning the arbitration between Verizon Rhode Island and Covad to determine the appropriate terms of the parties' Interconnection Agreement. After review, Chairman Germani noted that Covad showed no basis for relief and he entertained a motion to deny Covad's motion. Commissioner Bray moved to deny the motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0.

2379(W1) – Santa Buckley Energy LLC – The Company filed an

application for authority to operate as a gas marketer in RI. The Division has reviewed the application and recommends approval. After review, Chairman Germani moved to approve the application. The motion was seconded by Commissioner Holbrook and unanimously passed. Vote 3-0.

3739 – Narragansett Electric Co. d/b/a National Grid – On March 31, 2006, Narragansett Electric filed to reduce the Standard Offer Service rate. On April 26, the Commission suspended the rate filing. At this meeting, the Commission continued its reviewed of Narragansett Electric's filing and updated fuel prices contained in its standard offer reconciliation report. Based on the updated filing, Narragansett requested to withdraw its March 31, 2006 Standard Offer rate filing. The Division replied to Narragansett's request and updated data. The Division supported a rate decrease to 9.6¢ per kWh effective July 1. Narragansett Electric replied noting that if the Commission were to make a rate change, it preferred that it be on September 1.

The Commission considered and reviewed the parties' filings. Chairman Germani expressed concern with the continued volatility in the market and supported deferring a decision until September and that the Commission continue to monitor the energy market. Commissioner Bray agreed with the Chairman. She noted that a rate reduction would benefit the ratepayers at this time but only to increase again in September. She wanted to maintain price stability. Commissioner Holbrook agreed with the majority further noting that

whether there is an overcollection or undercollection, it will eventually flow back to the ratepayers. The Commission unanimously agreed to maintain the Standard Offer rate at the current level of 10¢.

3746 – Narragansett Electric Co. d/b/a National Grid – Narragansett Electric submitted a tariff filing to amend the basic residential rate A-16, to clarify that this rate schedule is applicable to residential condominiums for service provided to common areas and facilities. The Division filed a memorandum indicating that it has no objection and supports approval of the filing. After review, Chairman Germani entertained a motion to approve the Narragansett’s filing as submitted. Commissioner Bray moved to approve the filing. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0.

3569 - Providence Water Supply Board (PWSB) – PWSB’s submitted a tariff filing to introduce Optional Telephone or Web Pay Payment Provision to provide customers the option to pay their bill with a credit or debit card through the use of a payment-processing agent for effect July 1, 2006. PWSB proposes a flat fee of \$3.25 per transaction for a residential customer and \$6.95 for a non-residential customer regardless of the dollar amount of the payment. After review, Chairman Germani moved to approve the PWSB’s tariff filing as filed. Commissioner Bray seconded the motion. Commissioner Holbrook dissented noting that since the promulgation of the Rules

Governing Acceptance of Credit Card by Utility Companies, he has reconsidered the concept of passing costs to the ratepayers. He opined that this is a benefit to the utility in that it gets immediate cash and reduces risk of charge-offs, and it should be a cost of doing business that should be borne by all ratepayers. Vote 2-1.

3675 – Newport Water Division – Newport Water filed a Petition for Miscellaneous Relief from Order 17992 to use funds from the restricted “Repayment to the City” account and be allowed to make its third \$500,000 installment payment owed to the City of Newport. The Division filed a memorandum indicating that it has reviewed the filing and does not oppose it. The Commission agreed that Newport Water has made good effort to comply with Commission’s mandate. After review, Chairman Germani moved to approve Newport Water’s motion. Commissioner Holbrook seconded the motion and the motion was unanimously passed. Vote 3-0.

3707 – Narragansett Bay Commission (NBC) – The Commission continued its review of NBC’s proposed abbreviated rate filing. The following motions were made:

1. To reflect an adjustment of \$70,116 to have employees co-share in the payment of health care premiums. Vote 3-0.

2. To eliminate the 1½% operating reserve on personnel costs amounting to an adjustment of \$239,271. Vote 2-1. Chairman

Germani dissented.

**3. To approve a revenue requirement based on the surrebuttal testimony of Division's witness Thomas Catlin with the above adjustments to health care expense and operating reserve. Vote 3-0.
3-0**

Commissioner Holbrook moved to approve the above three adjustments. Commissioner Bray concurred. The Chairman concurred with the exception of item 2. Chairman Germani felt that NBC's operating reserve should not be determined differently than other utilities.

The open meeting adjourned at 3:05 P.M.