

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held December 23, 2014

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

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

Minutes of Open Meeting held on December 11, 2014: After review, Commissioner DeSimone moved to approve the minutes. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4393 – National Grid – The PUC discussed the record regarding National Grid's November 19, 2014 proposal to implement Standard Offer Service (SOS) rates for the Residential Group and Commercial Group for the months of January - June 2015, and for the Industrial Group for the months of January - March 2015.

After review and discussion, Commissioner DeSimone moved to approve National Grid's standard offer service rates for the Residential and Commercial Class for the period January to June 2015, and for the Industrial Class for the period January to March 2015. To mitigate the impact of this increase, it is ordered that the standard offer service rates will be implemented as follows:

1. For the Residential Class, 16.9% of National Grid's cost of providing standard offer supply for the period January to June 2015 will be deferred and recovered in the period July to December 2015. This will result in an increase in the standard offer supply rate of 14.25% for the Residential Class, instead of the proposed 26.14% increase.
2. For the Commercial Class, 10% of National Grid's cost of providing standard offer supply for the period January to June 2015 will be deferred and recovered in the period July to December 2015. This will result in an increase in the standard offer supply rate of 16.9% for the Commercial Class, instead of the proposed 24.3% increase.
3. The standard offer service rate for the Industrial Class is approved as filed.

It is further ordered that PUC staff will meet with National Grid and the Division concerning the details of the Budget Billing program to determine whether modifications are appropriate. Also, the parties shall consider the Division's suggestion to include the renewable energy standard (RES) charge with the standard offer supply charge, so that the RES charge does not appear as a separate line item on customers' bills.

Lastly, National Grid is ordered to respond to the recommendations contained in John Farley's testimony when it files its proposed 2016 Standard Offer Service Procurement Plan in March of 2015.

Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Competitive Telecommunications Service Providers Dockets

The following companies filed tariff revisions to their existing tariffs (on date). The Division has reviewed the tariff filings and recommended that they be allowed to go into effect without suspension:

- 2535 – Cox RI Telcom LLC (tariff filing 12/5/14)
- 2262(A6) – SBC Long Distance, LLC (tariff filing 12/11/14)
- 2262(R19) – AccessLine Communications Corp. (tariff filing 12/18/14)

After review, the PUC adopted the Division's recommendation. **Vote 3-0.**

The following companies filed a request to cancel their certificate of authority. The Division recommends the authority of these companies be recalled and rescinded:

- 2262(G16) – Verizon Enterprise Solutions, LLC
- 2262(E2) – Teleconnect Long Distance Services and Systems Co.

After review, Commissioner DeSimone moved to recall and rescind the authority of the companies. Commissioner Roberti seconded the motion and the motion unanimously passed. **Vote 3-0.**

The Division's rules entitled "*Regulations and Fee Schedules for Telecommunications Providers*" 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. The Division filed a memorandum indicating that these companies failed to make their annual assessment payment, and recommending that their authority to conduct business in Rhode Island be terminated, cancelled, and rescinded for non-payment of annual registration fee. The companies are:

- 3693 – Ernest Communications, Inc.
- 3336 – United Systems Access Telecom, Inc.
- 2007 – Commonwealth Telephone Co.
- 2262(X20) – Sti Prepaid, LLC

After review, Commissioner Roberti moved to recall and rescind the authority of the companies. Commissioner DeSimone seconded the motion and the motion unanimously passed. **Vote 3-0.**

4243 - Newport Water Division – Newport Water filed on October 30, 2014 a Miscellaneous Petition for Relief from Order. Specifically, Newport Water requests to 1) discontinue funding the restricted Salary Increase, and 2) withdraw \$9,546 from the restricted Salary Increase Account to cover a shortfall in salaries and wages for FY 2015. The Division filed a letter indicating that it does not object Newport Water's petition. Portsmouth Water and Fire District also filed a letter indicating that it does not object. After review, Commissioner DeSimone moved to approve Newport Waters' Petition for

Relief from Order. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4534 - Pascoag Utility District – Pascoag Utility District filed on November 17, 2014 proposed Demand Side Management (DSM) Program for 2015, including an overall budget of \$148,570 to implement energy efficiency programs and renewable energy resources and the continuation of the DSM charge of \$0.0023 per kWh for application January through December 2015. The Division filed a memorandum summarizing its review and recommending approval. After review, Chairperson Curran moved to approve Pascoag's DSM Program for 2015. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4535 – National Grid - National Grid filed on November 17, 2014 proposed Long-Term Contracting for Renewable Energy Recovery (LTCRER) credit factor of (0.024¢) per kWh effective for the period January 1 through June 30, 2015. The LTCRER factor allows for the recovery of payments made to projects under the long-term contracts and distributed generation standard contracts executed pursuant to R.I.G.L. 39-26-1 and 39-26-2, respectively. The Division filed a memorandum summarizing its review and recommending approval of National Grid's proposed total LTCRER factor as requested. The proposed factor represents a monthly decrease of 32¢ on a typical 500 kWh residential bill. After review, Commissioner DeSimone moved to approve National Grid's proposed LTCRER credit factor of (0.024¢). Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4527 - National Grid – The PUC reviewed the record relating to National Grid's October 31, 2014 Settlement of the Parties seeking approval of National Grid's Energy Efficiency Program Plan for 2015, The settlement included the proposed electric budget of \$86.6 million and associated electric Energy Efficiency Program (EEP) charge of \$0.00953 per kWh to implement electric energy efficiency programs. The settlement also included the proposed gas budget of \$25.5 million and associated gas Energy Efficiency Program (EEP) charges of \$0.781 per Dekatherm for residential customers and \$0.637 per Dekatherm for Commercial and Industrial customers. The settlement was executed by the Division of Public Utilities and Carriers, the Energy Efficiency and Resources Management Council, The Energy Council of Rhode Island, Acadia Center f/k/a Environment Northeast, People's Power & Light, and National Grid.

After review, Chairperson Curran moved to approve the Settlement. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.** The PUC expressed concern with oil to gas conversions, wi-fi thermostats and home energy reports. Commissioner DeSimone expressed concern that the Company was soliciting customers to convert to gas and felt this would adversely affect oil companies who are small businesses. Commissioner DeSimone felt that wi-fi thermostats are costly and do not benefit all customers. He also questioned the assumption that wi-fi thermostats would be used for energy conservation. Commissioner DeSimone was not convinced that home energy reports or wi-fi thermostats are cost-effective and

encouraged the parties to take a closer look at the benefits and cost-effectiveness of the program.

4528 – National Grid – National Grid filed on October 31, 2014 its proposed System Reliability Procurement (SRP) Report for 2015. The Report was submitted as a Settlement Agreement for approval of a proposed 2015 System Reliability budget of \$568,641 and associated system reliability factor of \$0.00007/kWh to continue the fourth year of the Load Curtailment Pilot. The report was jointly submitted by the Division of Public Utilities and Carriers, the Energy Efficiency and Resources Management Council, The Energy Council of Rhode Island, Acadia Center f/k/a Environment Northeast, People’s Power & Light, and National Grid. After review, Commissioner Roberti moved to approve the SRP Report as submitted. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Atty. Wilson-Frias was excused from the open meeting prior to the PUC's discussion of the Docket No. 4483.

4483 - Wind Energy Development, LLC & ACP Land, LLC (Petitioners) – The PUC reviewed the record and ruled on the outstanding issues relating to the Petitioners’ January 15, 2014 Petition for Dispute Resolution Relating to Section 9.2 of National Grid’s Distributed Generation Interconnection Tariff (R.I.P.U.C. No. 2078).

After review and discussion, Commissioner Roberti made the following motions:

1. National Grid’s proposal filed September 12, 2014 is approved with the following modifications and/or clarifications:
 - a) The first PLR request should be filed as soon as possible by National Grid and should relate to one of the Petitioners' projects.
 - b) In the event of an IRS ruling declaring distribution interconnections nontaxable, National Grid will seek a refund from the IRS to reimburse Petitioners before seeking deferral and recovery from ratepayers. If National Grid receives a refund from the IRS, National Grid will not seek deferral and recovery from ratepayers of reimbursements paid to Petitioners. National Grid will only seek to defer and recover from ratepayers the cost of reimbursements owed to Petitioners if it does not receive a refund from the IRS for such reimbursements.
2. National Grid shall report on the status of the PLR requests and projects by March 15, 2015. At this time, the Company will report on the following:
 - a) The Company will identify any project(s) which has/have been selected for PLR requests;
 - b) The Company will file with the PUC a copy of any PLR requests filed;
 - c) The Company will provide clarification of its December 22, 2014 letter to the PUC, including the Company’s specific timeline for the filing of PLR

requests, the identity of projects the Company intends to select for PLR requests and the specific details about the Massachusetts project which was the subject of the PLR request filed by MECO on December 11, 2012.

3. In addition, the PUC ordered the following:
 - a) National Grid will file for deferral and recovery of PLR costs through R.I.G.L. §39-26.6-13.
 - b) National Grid will make good faith, diligent efforts to resolve the tax exemption issue as it relates to each of the Petitioners' projects. This means that National Grid should give priority to Petitioners' projects in the timing of the filing of the PLR requests, to the extent possible.
 - c) National Grid will have final authority over the content of the PLR requests; however, the Petitioners should notify the PUC if they have an issue with the content of a PLR request.
 - d) National Grid should report the results of each PLR to the PUC, in order to keep the Commission apprised of the status of this issue.

Commissioner DeSimone seconded the motion and the motion was unanimously passed.
Vote 3-0.

The open meeting adjourned at 12:40 P.M.