

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held July 25, 2014

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

Chairperson Curran 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.

4442 - The Narragansett Electric Co – The PUC reviewed the record regarding National Grid's September 13, 2013 Tariff Advice filing for customer-Owned Street and Area Lighting Proposal. After review, the following outstanding issues were deliberated upon:

1. Closing documents (Sale Agreement and Attachment Agreement) - The PUC found Mr. Hahn's testimony to be quite persuasive on this issue. It is the general consensus of the PUC to adopt Mr. Hahn's recommendation to keep the closing documents separate from the tariff. The closing documents relate to the transfer and acquisition of assets and must be completed before the city or town becomes eligible for the tariff. The tariff relates to the delivery of energy to the municipality after the closing documents are consummated. The PUC is in no position to approve or disapprove the closing documents. Commissioner DeSimone moved that Sale Agreement not be part of the tariff, but would be left to the parties to negotiate, subject to the Division's review as allowed by the statute. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

The PUC also agreed with Mr. Hahn's position that the Attachment Agreement should be separate from the tariff. However, unlike the Sale Agreement which is final, the attachment agreements are more akin to terms and conditions of service where the rights and obligations survive the closing. The PUC noted that even if incorporated into National Grid's Terms and Conditions of Distribution Service, the Division would still retain jurisdiction over related disputes, both under the statute and under the current regulatory structure. Persuaded by Mr. Hahn's recommendations, which the PUC noted, were designed to align to the statute to treat the municipalities in a like manner as other owners of third-party attachments. Commissioner DeSimone moved to approve the Attachment Agreements filed by national Grid on April 4, 2014 subject to the recommendations of Mr. Hahn in his May 30, 2014 Memorandum to the PUC. Commissioner Roberti seconded the motion and the motion was unanimously passed. **Vote 3-0.**

2. Metering - The PUC noted that controls are the devices that control the lighting while meters are the measurement tools, the output of which is affected by the controls. The PUC determined that metering is not required, nor even specifically mentioned in, the statute. The PUC also found that the metering technology does

not yet appear available for a wide scale rollout or even a substantial phase-in and there are many outstanding questions related to the ability of the metering system to interact with National Grid's billing system. Evidence in the record supported a finding that the bulk of savings at this time and in light of currently available technology, seems incontrovertibly linked to the replacement of lighting with the LEDs and the maintenance contracts into which the municipalities may enter. Accordingly, proceeding with municipal purchases of lighting while holding off on metering will allow municipalities to move toward achieving the savings contemplated by the legislation as soon as possible. The PUC did not oppose to the pilot phased-in concept however, opined that it should be discussed in a separate docket.

The PUC's role is to ensure just and reasonable rates. A well-designed pilot can accomplish many things, included whether the unmetered rates are just and reasonable compared to metered rates. There are questions of accuracy and efficiency in the new technology. The pilot should determine the municipalities' interest and intention to install new lighting with or without metering, accuracy of metering technology, more information of whether meters make sense, determining how the control technology interacts with National Grid's technology. The PUC did not fix the cost component of a pilot, leaving it flexible for the proposal. While it would be good to have a participant in each of the four counties, the pilot must be designed to allow participation by municipalities ready, willing and able to participate. National Grid is required to involve the municipalities in the development of the pilot proposal.

Commissioner Roberti moved that metering should not be included in tariffs; and that the PUC open a separate docket to investigate metering technology in the form of a pilot program whereby National Grid will engage the parties and survey the municipalities to identify potential participants as part of filing a pilot within 90 days. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

S-05 Tariff - Commissioner Roberti moved to approve National Grid's Tariff RIPUC No. 2142 (S-05 tariff) with exception in sheet 6, inventory and lights. The PUC accepted the Municipalities' recommendation that they be allowed 30 days, not 15 days, from December 31st each year to provide an updated inventory listing. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Commissioner Roberti moved to require National Grid to file, within 90 days of the January 30 inventory listing, a report that provides the distribution of lighting inventory by wattage range with actual output information that may be available to National Grid to ensure the unmetered rates are based on ranges consistent with the actual inventory. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0.**

The meeting adjourned at 11:45 A.M.