

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held October 30, 2003

Attendees: Commissioner Kate Racine, Commissioner Robert Holbrook, Steve Frias, Cindy Wilson, 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. A quorum was present.

1725 – Rules and Regulations Governing the Termination of Service by Public Utilities: Discussion related the George Wiley Center’s (“GWC”) Motion for Interim Relief to temporarily amend the rules and regulations. The GWC seeks to reduce the required down payment on arrearage to 15% in order to restore utility service. GWC requests that it become effective immediately through 2003-2004 winter moratorium. After review, Chairman Germani moved to deny the motion filed by the George Wiley Center. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.** A transcript of the Commission’s discussion in this docket is available at the office of the Commission Clerk.

3436 – New England Gas Co.: Discussion related to the Company’s Gas Cost Recovery (“GCR”) filing. After review, Chairman Germani asked for a motion to approve the following:

- 1) Motion to approve new GCR charges for effect November 1, 2003. The approved GCR rates are:
 - \$7.984 per Dth for Residential and Small C&I
 - \$7.8883 per Dth for Medium C&I
 - \$7.9024 per Dth for Large LLF
 - \$7.6408 per Dth for Large HLF
 - \$7.9942 per Dth for Extra Large LLF
 - \$7.5401 per therm for Extra Large HLF

Commissioner Racine moved to approve the motion. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.** The approved factors are based on the October 27, 2003 MYMEX and represents an increase of 5% on customers’ bills.

- 2) Motion to approve the gas marketer transportation charges as follows:
 - FT-2 Transportation Marketer Gas Charge of \$0.043 per therm
 - Pool Balancing Charge of \$0.0022 per % of balancing elected per therm

- Weighted Average Upstream Pipeline Transportation Cost of \$0.1034 per therm and the resulting pipeline surcharges/credits as shown on Attachment GLB-3 at page 1

Commissioner Racine moved to approve the motion. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3) Motion to approve the new Natural Gas Vehicle Rate of \$5.803 per Dth. Commissioner Racine moved to approve the motion. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

4) Motion to approve the new BTU conversion factor of 1.029 for the winter period (November 1 through April 30). Commissioner Racine moved to approve the motion. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

5) Motion to approve the revised tariff language in the GCR Clause that was filed. These changes are made to reflect items that are part of the new Gas Procurement Plan that become effective in June. Commissioner Racine moved to approve the motion. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

A transcript of the Commission's discussion in this docket is available at the office of the Commission Clerk.

3548 – New England Gas Co.: Discussion related to the Company's Distribution Adjustment Clause ("DAC") filing. After review, Chairman Germani moved to approve the Division's position on an interim basis subject to further investigation. The interim DAC factors are effective November 1, 2003. The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

[The Division's position is to implement the following DAC factors per Dth: follows: 1) for former Valley customers (\$0.0672) per Dth for Residential Heating, (\$0.1598) for Residential Non-Heating, (\$0.0724) for Small C&I, and (\$0.0248) for Med, Large, and X-Large C&I; and 2) for former ProvGas customers (\$0.0140) for Residential Heating, \$0.0052 for Residential Non-Heating, (\$0.0111) for Small C&I, and (\$0.0285) for Med, Large, and X-Large C&I.]

Mr. Frias clarified that by adopting the Division's position on an interim basis, the Commission suspended New England Gas' DAC filing.

A transcript of the Commission's discussion in this docket is available at the office of the Commission Clerk.

Competitive Telecommunications Service Providers:

The following company registered to operate as telecommunications service provider. The Division has reviewed the registration and recommends approval of:

3559 - Volo Communications of RI, Inc.

Chairman Germani asked for a motion and Commissioner Racine moved to approve the

registration. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

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

2535 - Cox RI Telecom LLC
3196 - Z-Tel Communications, Inc.
3028 - Qwest Communications Corp.
3176 - XO Long Distance Services, Inc.
2449 - Brooks Fiber Communications of RI, Inc.
2486 - MCI metro Access Transmission
3098 - ARC Networks, Inc.
2262(O) - VarTec Telecom, Inc.
2262(E18) – C III Communications Operations, LLC
2262(A6) - Southwestern Bell Communications Services, Inc.
2262(P18) - New Access Communications LLC
2262(F16) - Bell Atlantic Communications, Inc.
2262(E2) - Teleconnect Long Distance Services
2262(P7) - MCI WorldCom Communications

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

3560- Verizon Rhode Island (“Verizon”): Verizon submitted a tariff filing to introduce two new service packages: 1) Local Package Basic and 2) Local Package Plus for effect November 16, 2003. After review, Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

3557- Verizon Rhode Island: Verizon submitted a tariff filing to introduce two new business service offerings: 1) Unlimited Local Usage for Business and 2) Unlimited Local and Toll Usage for Business for effect November 6, 2003. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

3556 – Verizon Rhode Island: Verizon submitted a tariff filing in compliance with FCC's mandate in Dockets 01-338, 96-98 and 98-147 (the “Triennial Review Order”) to modify the following: 1) remove Dark Fiber IOF Channel Termination and OCn and STS-1 transport as UNE Elements unless otherwise required by existing ICA, and 2) grandfathered embedded base for Line Sharing. Verizon proposes an effective date of November 1, 2003. After review, Commissioner Racine moved to suspend the tariff filing pending investigation. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3555 – Verizon Rhode Island: Verizon submitted a tariff filing to increase certain rate elements for "Pulsenet", "Private Line", "Superpath", "Switchway" and "Digipath" Services for effect November 1, 2003. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

3554 – Verizon Rhode Island: Verizon submitted a tariff filing to increase rates to certain Verizon’s Residence Value Added Services and Residence Value Added Packages, day and evening per minute rates for Residence Regional Toll Calling and Value Pack Service Package for effect November 1, 2003. After review, the Commission followed the Division’s recommendation that the tariff filing be allowed to go into effect without suspension.

3545 - Rules and Regulations Governing Telecommunications Education Access Fund: Ms. Wilson summarized the comments and changes that were incorporated into the proposed rules and regulations. After review, Commissioner Racine moved to adopt new Rules and Regulations Governing Telecommunications Education Access Fund in compliance with the requirement of RIGL Section 39-1-61. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

The Commission also discussed the position relative to whether Verizon should continue to subsidize the e-rate program or be compensated from surcharge collected in fund for the period January 1 – June 30, 2004 (which falls at mid-year of the bidding period of July 1 – June 30). After review, Commissioner Racine moved to allow Verizon to collect compensation from the fund before June 30, 2004. However, Verizon may not receive any money from the fund that is collected on usage on and after July 1, 2004 for compensation for the e-rate year July 1, 2003 through June 30, 2004. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3553 - Review of Request for Proposals (“RFP”) to Provide Internet Access Services to RI School (K-12) and Libraries: Ms. Wilson summarized the comments and changes that were incorporated into the draft RFP. After review, Commissioner Racine moved to approve the RFP for publication by the RI Department of Education. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3400 – Examination Into Feasibility of Implementing a Debt Forgiveness Plan: Discussion related to New England Gas’ October 16 objection to the data request issued by the George Wiley Center. After review, Commissioner Racine moved to overrule the objection of New England Gas and requested that New England respond, as best as possible, in such manner similar to the Narragansett Electric response to the data request. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3563 – Elmwood Foundation: Elmwood Foundation filed a petition pursuant to RIGL 39-2-15.1 requesting that the Commission order the public utilities with facilities in the service area to disconnect and temporarily remove, as necessary, utility lines, conduits, poles, etc., along a proposed path to allow for the relocation a home to be used as low-income housing for at least 10 years. Discussion postponed pending discovery.

3485, 2641 & 2624 – Utilities’ Petitions For Review Pursuant to RIGL 39-1-30: These dockets relate to petitions filed by several utilities seeking relief from certain street opening and restoration standards ordinance adopted by the City of Providence. The City

filed a Motion for Extension of Time up to and including November 29 to pre-filed testimony. According to the procedural schedule established in the docket, the City's testimony was due on September 29 and hearings scheduled November 6-7. The Division and utilities objected to the motion. Commissioner Racine moved to deny the City's motion and requested that Mr. Frias meet with the parties to get update on the status of the proceeding. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3497 – Pawtucket Water Supply Board (PWSB”): In this docket, the Commission allowed PWSB the authority to collect additional revenue requirement. After review, Commissioner Racine moved that PWSB file compliance tariffs in conformance with the additional revenue requirements granted in Order No. 17574 and that PWSB continue to file its restricted account report every four months. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

2861 – Pascoag Utility District: Mr. Nault updated on the financial status of Pascoag noting that cashflow and payable balances have improved. Based on his review, he recommended that the Commission release Pascoag from the requirement of filing weekly financial reports. After discussion, Commissioner Racine moved to release Pascoag from requirement of filing weekly financial report. Pascoag is directed to notify the Commission if a problem develops with cashflow or payable balances. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

There being not further business to discuss, the open meeting adjourned at 3:35 P.M.