

**THE NARRAGANSETT BAY COMMISSION
DOCKET NO. 3797**

**Data Requests of the
Division of Public Utilities and Carriers
Set III**

1. Please state whether, as a condition for approval of the requested O&M Reserve Fund, NBC would agree that interest earned on that fund would be available as unrestricted revenue (i.e., available as interest income to meet operating expenses). If not, please explain why not.

Answer: NBC agrees that this would be a good idea; however, the regular transfer of investment earnings on the O&M Reserve Fund to fund operations is precluded under the Trust Indenture. The amounts in the O&M Reserve Fund (including investment earnings) may be transferred to the O&M Fund to pay Operating Expenses only at the time and to the extent necessary to satisfy any then existing deficiency in the O&M Fund.

Prepared by: WEE