

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: PAWTUCKET WATER SUPPLY BOARD

DOCKET NO:

**PAWTUCKET WATER SUPPLY BOARD'S PETITION FOR EXEMPTION FROM
FILING REQUIREMENTS**

I. INTRODUCTION

Pursuant to Section 1.10 of the Public Utilities Commission's Rules of Practice and Procedure (hereinafter "Rule(s)"), The Pawtucket Water Supply Board (hereinafter "PWSB") hereby files this Petition for exemption from certain rules and requirements for filings of general rate schedule changes.

II. ARGUMENT

Pursuant to Rule 2.6(a), a utility filing a request for a change in its rate schedules must include a rate year that is the twelve-month period for which new rates are designed to recover the proposed cost of service. Under the rule, the rate year period must be the filed test year or such other yearly period which commences no later than six (6) months after the proposed effective date of the new tariffs.

In the instant matter, it is anticipated that the PWSB will file a request for a rate increase by March 28, 2008, with rates proposed to be effective April 28, 2008. As such, the rate year could begin no later than October 28, 2008. However, the PWSB proposes to use a rate year of January 1, 2009 to December 31, 2009. The PWSB proposes to use this test year for several reasons.

First, assuming the proposed docket takes the customary six month period to litigate, an

order will not be issued until October 28, 2008. If the PWSB were to use Fiscal Year 2009 (July 1, 2008 – June 30, 2009) as a rate year, the order would not be issued until four months into the rate year. As the Commission knows, there is a lag time between the issuance of an order and a utility actually collecting the full amount of any rate increase. In past Dockets, the PWSB has estimated that it takes approximately eighteen months to realize the full impact of any rate increase. If the PWSB were to use Fiscal Year 2009, almost one third of the rate year will have passed before the PWSB even starts to collect new rates. As a result, the PWSB will be collecting for rate year expenses that may soon be irrelevant. Under such a scenario, the PWSB could be faced with the possibility of filing a new rate case before next year.

The PWSB could try to alleviate this problem by using a rate year of October 1, 2008 to October 1, 2009. However, the PWSB would then be using a rate year that is neither a fiscal year, nor a calendar year. This would likely cause unnecessary complications in both preparing and litigating the Docket. Even under this scenario, the PWSB would not be able to fully fund the rate year, as collections on the rate increase would not be received until five months from the date of approval.

Given these issues, a rate year of January 1, 2009 to December 31, 2009 makes the most sense. First, it will include a portion of rate year expenses for half of Fiscal Year 2010. As a result the rate year expenses will be more relevant and the rate year will not be as “stale.” Second, the preparation and litigation of the Docket will be easier with the use of a calendar year.

III. CONCLUSION

For the reasons set forth herein The Pawtucket Water Supply Board prays that The Rhode Island Public Utilities Commission grant the relief sought herein and all other relief it deems

meet and just.

PAWTUCKET WATER SUPPLY BOARD
By its attorney,

Joseph A. Keough, Jr. #4925
KEOUGH & SWEENEY, LTD.
100 Armistice Boulevard
Pawtucket, RI 02860
(401) 724-3600 (phone)
(401) 724-9909 (fax)
jkeoughjr@keoughsweeney.com

CERTIFICATION

I, the undersigned, hereby certify that a true copy of the within was mailed by first class mail to the to the Public Utilities Commission, 89 Jefferson Boulevard, RI 02888 and the Department of Attorney General, 72 Pine Street, Providence, RI 02903 on the 25th day of March, 2008.