

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

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION

DOCKET NO: 4025

**CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION'S
MISCELLANEOUS PETITION FOR RELIEF**

I. INTRODUCTION

In Docket 4025, the Rhode Island Public Utilities Commission granted Newport Water's request for a three percent Operating Revenue Allowance. One half of the allowance was restricted. Newport Water could withdraw these restricted funds if it experienced a revenue shortfall greater than five percent of total rate revenue. Newport Water had a shortfall of this magnitude in fiscal year 2010. As such, Newport Water seeks to recover a portion of its revenue shortfall from its restricted Operating Revenue Allowance account.

II. FACTS/REQUEST

In Docket 4025, the City of Newport, Utilities Department, Water Division ("Newport"/"Newport Water") requested an Operating Revenue Allowance ("ORA") equal to three percent of operations and maintenance expenses. The Rhode Island Public Utilities Commission granted the request with several restrictions¹:

- One half of the ORA was unrestricted for use in meeting expense overruns and revenues shortfalls of up to five percent of total allowed rate revenue.
- The remaining half of the ORA was restricted.
- The restricted amount could only be used to cover shortfalls in total allowed rate revenue exceeding five percent of such revenue.

¹ Commission Order 19940, p. 66

- If the shortfall exceeded five percent of total rate revenue Newport could seek recovery of the full shortfall.

Newport's total revenue requirement in Docket 4025 was \$11,528,666 before offsets, and its net revenue requirement was \$10,788,288.² Newport forecasted \$10,797,498 in revenues from rates and charges in FY10.³ Newport's actual revenue from rates and charges was \$9,826,320,⁴ which is more than a five percent shortfall in total allowed rate revenue.

In FY10, Newport's ORA was \$243,813, of which \$121,907 was deposited in the restricted ORA account. With accumulated interest, there was a balance of \$122,032 as of June 30, 2010. As such, Newport Water seeks permission to withdraw \$122,032 from its restricted ORA account to cover a portion of its FY10 revenue shortfall.

WHEREFORE, the City of Newport, Utilities Department, Water Division prays that the Rhode Island Public Utilities Commission grant the relief sought herein and all other relief it deems meet and just.

City of Newport,
Utilities Department,
Water Division,
By its attorney,



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² Docket 4025 – RFC Schedule 1 Compliance

³ Docket 4025 – RFC Schedule 10 Compliance

⁴ See FY10 Annual Report – Billing Charges, Water Sales and Fire Protection

CERTIFICATION

I hereby certify that I sent by electronic mail a copy of the within to all parties set forth on the attached Service List on April 15, 2011, and one original to Luly Massaro, Clerk, Rhode Island Public Utilities Commission.

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