

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT WATER :
DIVISION REQUEST TO WITHDRAW : DOCKET NO. 4025-A
FROM RESTRICTED OPERATING :
REVENUE ACCOUNT :

ORDER

WHEREAS, On April 18, 2011, the City of Newport, Utilities Department, Water Division (“Newport Water”) filed with the Public Utilities Commission (“Commission”) a Miscellaneous Petition requesting to recover from the Restricted Operating Revenue Allowance account a portion of a revenue shortfall;¹ and

WHEREAS, Newport Water stated that its allowed net revenue requirement from Docket No. 4025 was \$10,788,288 and in FY10, Newport Water’s actual revenue from rates and charges was \$9,826,320, or more than five percent less than the total allowed rate revenue; and

WHEREAS, the restricted portion of Newport Water’s Operating Revenue Allowance as of June 30, 2010 was \$122,032; and

WHEREAS, the Division of Public Utilities and Carriers (“Division”) issued data requests to determine if Newport Water had properly stated its revenues and had properly contributed funds into its debt service account; and

WHEREAS, on May 11, 2011, the Division, through its legal counsel, filed a letter with the Commission stating that Newport Water had addressed the Division’s concerns and that the Division did not oppose Newport Water’s request, “conclud[ing]

¹ In Order No. 19940, the Commission allowed Newport Water a three percent (3%) operating revenue allowance with 1.5% unrestricted for use in meeting expense overruns and revenue shortfalls of up to five percent of the total allowed rate revenue and 1.5% restricted for use to cover shortfalls in total allowed rate revenue exceeding 0.5 percent of such revenue. (Order No. 19940 at 66, issued March 29, 2010).

that Newport Water has met the requirements to be allowed to withdraw monies contributed to the restricted portion of the [Operating Revenue Allowance] account in FY 2010"; and

WHEREAS, neither Portsmouth Water and Fire District nor the United States Navy, parties to Docket No. 4025, filed a position regarding Newport Water's request; and

WHEREAS, On June 16, 2011, after review of Newport Water's Request, the Commission found that Newport Water satisfied the requirements for drawing \$122,032 from the restricted Operating Revenue Allowance account and approved its request to transfer funds.

Accordingly, it is hereby

(20387) ORDERED:

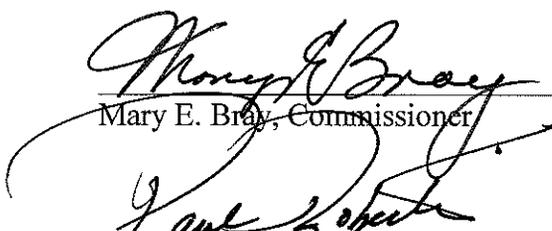
1. The City of Newport, Utilities Department, Water Division is hereby authorized to draw \$122,032 from the restricted Operating Revenue Allowance account for the purposes of reducing a shortfall in total allowed rate revenue.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JUNE 16, 2011
PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED ON
JULY 5, 2011.

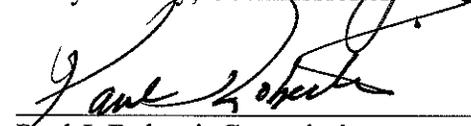
PUBLIC UTILITIES COMMISSION



*Elia Germani, Chairman



Mary E. Bray, Commissioner



Paul J. Roberti, Commissioner

*Chairman Germani concurs but is unavailable for signature.

NOTICE OF RIGHT OF APPEAL PURSUANT TO R.I.G.L. SECTION 39-5-1, ANY PERSON AGGRIEVED BY A DECISION OR ORDER OF THE COMMISSION MAY, WITHIN SEVEN DAYS (7) DAYS FROM THE DATE OF THE ORDER, PETITION THE SUPREME COURT FOR A WRIT OF CERTIORARI TO REVIEW THE LEGALITY AND REASONABLENESS OF THE DECISION OR ORDER.