

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY :  
BOARD'S COMPLIANCE FILING : DOCKET NO. 4070  
CONSERVATION RATE STRUCTURE :

**ORDER**

WHEREAS, In Order No. 19767 (Docket No. 4070), the Public Utilities Commission ("Commission") found that Providence Water Supply Board's July 1, 2009 compliance filing met the requirements of Ordering Paragraph 9 of Order No. 19145 which allowed Providence Water a three percent (3.0%) Operating Revenue Allowance subject to Providence Water filing a conservation rate structure no later than July 1, 2009; and

WHEREAS, In its July 1, 2009 filing, Providence Water had requested the Commission defer review of its conservation rate structure while Providence Water continued to collect more monthly billing data for two years is approved; and

WHEREAS, In Order no. 19767, the Commission ordered Providence Water to file an updated conservation rate proposal no later than July 1, 2011; and

WHEREAS, On July 1, 2011, Providence Water filed the Direct Testimony of Harold J. Smith, its consultant, wherein Mr. Smith presented a rate design which included a "conservation rate structure for Providence Water's single-family residential customers as well as a structure to promote conservation among Providence Water's wholesale customers." ("2011 Compliance Filing"); and

WHEREAS, Providence Water's proposed rate design included inclining block rates, or rates which increased as a customer exceeds a certain predetermined level of usage; and

WHEREAS, Mr. Smith testified that in order to properly implement the conservation rate structure, Providence Water would also need to implement monthly billing; and

WHEREAS, Mr. Smith recommended that “instead of an immediate implementation of the proposed structure, Providence Water be allowed to utilize the proposed structures in the development of its next rate filing”; and

WHEREAS, ‘The Commission sought comment from Kent County Water Authority (“KCWA”) and the Division of Public Utilities and Carriers (“Division”) as to whether the Commissions should consider Providence Water’s 2011 Compliance Filing immediately in the instant docket or include it as part of its review of Providence Water’s next General Rate Filing; and

WHEREAS, Through legal counsel, KCWA and the Division each responded that it would be appropriate to consider Providence Water’s 2011 Compliance Filing as part of Providence Water’s next General Rate Filing; and

WHEREAS, At an Open Meeting held on August 31, 2011, the Commission considered Providence Water’s 2011 Compliance Filing and found it to be in compliance with Commission Order No. 19767 and further, found that the conservation rates should be included for consideration in Providence Water's next General Rate Filing.

Accordingly, it is hereby,

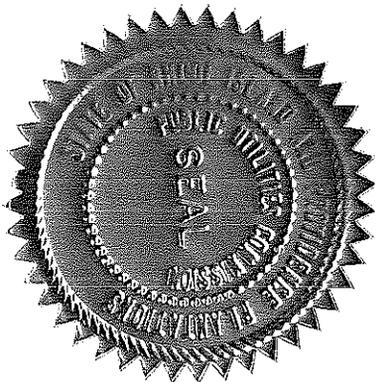
(20497) ORDERED:

1. Providence Water’s July 1, 2011 compliance filing met the requirements of Ordering Paragraph 2 of Order No. 19767.

2. Providence Water shall include a conservation rate structure for consideration in its next General Rate Filing.
3. Providence Water Supply Board shall comply with all findings and instructions contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON AUGUST 31, 2011. WRITTEN ORDER ISSUED OCTOBER 6, 2011.

PUBLIC UTILITIES COMMISSION



*Elia Germani*

Elia Germani, Chairman

*Mary E. Bray*

Mary E. Bray, Commissioner

*Paul J. Roberti*

Paul J. Roberti, Commissioner