



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

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Peter F. Kilmartin, Attorney General

March 14, 2012

Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

**In Re: Pawtucket Water Supply Board Application to Change Rates
DOCKET NO: 4171**

Dear Ms. Massaro,

Enclosed for filing with the Commission are an original and nine (9) copies of the Division of Public Utilities and Carriers (the "Division"), Comments in the above entitled matter.

Thank you for your attention to this matter.

Very truly yours,

Jon G. Hagopian
Special Assistant Attorney General

cc: Service List (e-mail only)

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

IN RE: PAWTUCKET WATER SUPPLY BOARD) DOCKET NO. 4171
APPLICATION TO CHANGE RATES)

**THE DIVISION OF PUBLIC UTILITIES AND CARRIERS COMMENTS TO THE
PAWTUCKET WATER SUPPLY BOARD'S PETITION TO AMEND MULTI-YEAR
RATE PLAN**

Now comes the Division of Public Utilities and Carriers (the "Division"), and hereby submits the within comments in the above entitled matter.

INTRODUCTION

On February 1, 2012 the Pawtucket Water Supply Board (the "PWSB"), pursuant to R.I. Gen. Laws §39-15.1-4 (d) filed a Petition to Amend the Multi-Year Rate Plan (the "Plan"), approved by Order No. 20376 in this docket. The PWSB asserts that Phase II approval of the Plan provided for an increase in revenues in the amount of \$405,149 effective January 1, 2012. The primary purpose of the Phase II increase was to provide revenues to service debt.¹ PWSB now asserts that anticipated borrowings of debt have been delayed obviating a need for the Phase II increase in revenues.² The PWSB represents that it will not be required to increase rates "specifically for debt service until 2015."³

DISCUSSION

The Division asserts that as a general principle it is in the best interests of PWSB ratepayers' not to be subject to a rate increase at this time. The PWSB ratepayers under present economic conditions can utilize the cash they would otherwise pay out in increased rates for

¹ PWSB Petition at ¶9.

² PWSB Petition at ¶10.

³ PWSB Petition at ¶17.

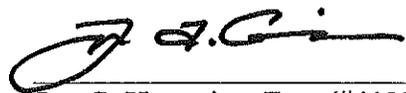
personal use particularly with the current spike in gasoline prices and increases in other day to day necessities. The Division therefore does not object to delay in the effective date of the Phase II rate implementation. The Division recommends that PWSB make a compliance filing six months prior to the requested date that Phase II rates become effective. Provided further, if PWSB should file a rate case in the interim time that, the Phase II increase issue is addressed therein as necessary.

CONCLUSION

For the foregoing reasons the Division has no objection to the instant PWSB Petition here provided the Commission adopts its recommendation set-forth in these comments.

Thomas Ahern, Administrator
State of Rhode Island
Division of Public Utilities and
Carriers

By his attorney,

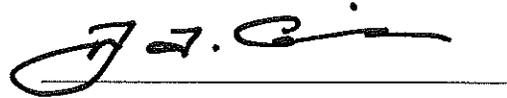


Jon G. Hagopian, Esq. (#4123)
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State of Rhode Island
Department of Attorney General
150 South Main Street
Providence, RI 02903

Dated: March 14, 2012

CERTIFICATE OF SERVICE

I hereby certify that on the 14th day of March, 2012, that I transmitted an electronic copy of the within Comments to the attached service list and to Luly Massaro, Division Clerk via electronic mail and regular mail.



**DOCKET NO. 4171 - Pawtucket Water Supply Board – General Rate Filing
Service List updated 2/8/12**

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