

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

**IN RE: PAWTUCKET WATER SUPPLY BOARD
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO. 4171

**THE PAWTUCKET WATER SUPPLY BOARD'S RESPONSE TO
THE DIVISION OF PUBLIC UTILITIES AND CARRIERS'
MOTION FOR AMENDMENT TO NOTICE TO CUSTOMERS**

NOW COMES the Pawtucket Water Supply Board ("PWSB") and hereby files this response to the Division of Public Utilities and Carriers' Motion for Amendment to Notice to Customers. The PWSB does not object to the Division's request for relief. In fact, the PWSB has prepared an amended notice for consideration by the Rhode Island Public Utilities Commission ("Commission") (Exhibit 1). However, the PWSB makes the following qualifications to its position on this matter:

1. The Division's supporting memorandum states that: "It is the obligation of the applicant to provide a sufficient notice to inform rate payers of proposed changes in rates which should not be thrust upon the Commission or its staff."¹ The PWSB objects to the Division's characterization of its actions regarding the notices in this Docket.

Pursuant to Rule 2.4 of the Commission's Rules of Practice and Procedure:

"Within ten (10) days after filing for general rate schedule changes, the applicant shall cause a notice of the filing, *in a form to be approved by the Commission*, to be published in the newspaper of widest circulation within the applicant's service territory. In addition, companies shall include a notice of its proposed general rate schedule changes in the next general customer billing, if within sixty (60) days following the filing of the application, or by separate mailing." (emphasis added).

When the PWSB filed its original rate application on April 14, 2010, it submitted a proposed notice to be published in the Providence Journal and a proposed notice to be sent to

¹ Division Memorandum In Support Of Motion For Amendment To Notice To Customers, p. 3

customers (collectively hereinafter “Notices”). These Notices were edited by the Commission and the edited notices were published in the Providence Journal and provided to customers. The PWSB cannot draft and publish its own Notices. The Notices *must* be approved by the Commission. Thus, the PWSB was simply following the Commission’s Rules of Practice and Procedure when it submitted the notices for approval to the Commission. It should be noted that the Division did not object to the Notices or suggest any changes when it received the PWSB’s original application.

2. The PWSB disagrees with the Division that ratepayers have “been inadequately informed” of the PWSB’s proposals in this docket. In fact, the Notices are consistent with prior Commission dockets where a change in billing frequency was proposed. The notices in any application to increase rates contain limited information. For instance, the Notices do not list the changes in rates to each and every customer class, and they do not contain specific information about changes resulting from revisions to the PWSB’s cost allocations. The purpose of the Notices is to notify customers that a rate application has been filed and that the full application can be reviewed by any customer of the utility. Thus, notices do not articulate each and every aspect of a rate filing.

3. By agreeing to provide amended notice to its customers, it is the PWSB’s position that the proposed amended notice does not in any way affect the validity of this rate filing.

4. It is requested that the Commission provide guidance on how the amended notice is to be provided to customers. Certainly, the PWSB can arrange to have the amended notice published in the Providence Journal and any other newspaper as directed by the Commission. However, a special mailing to customers is estimated to cost between ten thousand dollars (\$10,000) and twelve thousand dollars (\$12,000).

WHEREFORE, for the reasons set forth herein, the PWSB agrees to provide amended notice to its customers as directed by the Commission in conformance with the proposed amended notice attached hereto and incorporated herein as Exhibit 1.



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

CERTIFICATION

I hereby certify that on September 16, 2010, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone/Fax
James L. DeCelles, P.E. Chief Engineer Pawtucket Water Supply Board 85 Branch St. Pawtucket, RI 02860	decelles@pwsb.org	401-729-5001
	rbenson@pwsb.org	
	giassongm@pwsb.org	
Jon Hagopian, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Jhagopian@riag.ri.gov	401-222-2424
	sscialabba@ripuc.state.ri.us	
	jbell@ripuc.state.ri.us	
	Mtobin@riag.ri.gov	
Christopher Woodcock Woodcock & Associates, Inc. 18 Increase Ward Drive Northborough, MA 01532	Woodcock@w-a.com	508-393-3337 508-393-9078
David Bebyn B&E Consulting 21 Dryden Lane Providence, RI 02904	dbebyn@beconsulting.biz	401-785-0800 401-421-5696
Andrea Crane The Columbia Group PO Box 810 Georgetown, CT 06829	Ctcolumbia@aol.com	203-438-2999 203-894-3274
Thomas S. Catlin Exeter Associates, Inc. 5565 Sterrett Place, Suite 310 Columbia, MD 21044	tcatlin@exeterassociates.com	410-992-7500 410-992-3445
File original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888	lmassaro@puc.state.ri.us	401-780-2104
	plucarelli@puc.state.ri.us	401-941-1691
	sccamara@puc.state.ri.us	



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

EXHIBIT 1

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PAWTUCKET WATER SUPPLY BOARD
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO. 4171

AMENDED NOTICE OF FILING AND CHANGE IN RATE SCHEDULES

On April 14, 2010, pursuant to Rhode Island General Law § 39-3-11 and Part II of the Rhode Island Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the Pawtucket Water Supply Board (“PWSB”) gave notice that it had filed with the Commission an application to increase rates and proposed that the new rates take effect on May 14, 2010. The Commission subsequently suspended the proposed rates for eight months. The new rates are now scheduled to go into effect no later than January 14, 2011.

In its filing, the PWSB sought to implement a multi-year rate plan through a two step increase pursuant to R.I.G.L. § 39-15.1-4. In the first step of the rate plan, the PWSB sought approval of proposed rates designed to collect additional revenues of \$3,497,860 to support a total revenue requirement of \$19,784,161. This represented an overall increase in revenues of 21.48% and an increase in rate revenues of 21.85%.

In the original Notice Of Filing and Change In Rate Schedules, the PWSB stated that the bill impact on a typical residential customer with an annual consumption of 96 HCF would be \$76.44 per year or 17.16%. The PWSB also proposes to implement monthly billing to all customers beginning in 2011. Thus, if monthly billing is implemented, the impact of the PWSB’s original request on a typical residential customer using 96 HCF of water per year would have been \$115.25 per year or 28.32%. The impact of the PWSB’s original request on other retail customers’ bills would have varied based on classification and consumption level.

In Rebuttal Testimony filed August 17, 2010, the PWSB revised its revenue request. The PWSB seeks approval of proposed rates designed to collect additional revenues of \$3,647,211 to support a total revenue requirement of \$19,845,215. This represents an overall increase in revenues of 22.52% and an increase in rate revenues of 22.90%. The bill impact on a typical residential customer with an annual consumption of 96 HCF is an increase of \$113.02 per year or 27.77% if monthly billing is implemented. The impact on other retail customers’ bills will vary based on classification and consumption level.

In the second step of the rate plan, PWSB proposes to implement rates on January 1, 2012 designed to collect additional revenues of \$900,386 to support total operating revenue requirements of \$20,745,600. The impact of the second step will be an across-the-board rate increase of approximately 4.5% on all customers. The impact of the second step on a typical residential customer with an annual consumption of 96 HCF is an increase of \$23.54, or 4.5%, per year. The Commission can approve different rates that may be higher or lower those proposed by the PWSB.

Please note that while the PWSB is requesting this revenue increase, the Commission, after full investigation and hearings, may order a different revenue requirement and rate. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. Ratepayers may comment on the proposed rate increases at that time.

A copy of the application is on file for examination at the PWSB's office and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. A copy of the filing was also provided to the Cities of Pawtucket and Central Falls, Rhode Island and the Town of Cumberland, Rhode Island. A copy was also provided to the Rhode Island Attorney General's Department, Consumer Division.

Pawtucket Water Supply Board
85 Branch Street, Pawtucket, RI 02860
<http://www.pwsb.org>