



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Rhode Island Division of
Public Utilities and Carriers
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MEMORANDUM

To: Luly Massaro
Commission Clerk

Date: March 8, 2011

From: Stephen Scialabba
DPUC Chief Accountant

Subject: Docket 4230, NBC Tariff Advice filing regarding Residential Well Customers.

The Division has reviewed NBC's Tariff Advice filed on February 28, 2011, designated as PUC Docket No. 4230. This filing modifies the rate charged to NBC's residential well customers, effective July 1, 2011, and is consistent with NBC's commitment made in its Notice of Withdrawal of Rate Application in Docket No. 4205, that NBC would file a Tariff Advice on this issue within 30 days of its Docket 4205 withdrawal.

NBC has 240 sewer customers who have their water supplied by wells. Lacking a water meter, NBC rate for these customers is a fixed charge, based on the calculation of an annual bill for a metered residential customer that uses 200 gallons per day, or 97.6 HCF annually. The usage assumption for this rate has been in place for many years. As NBC's customers' water consumption has declined over the years, NBC and the Division believed it was appropriate to update the assumption behind this rate to reflect current customer usage patterns.

NBC's filing indicates that the average usage per dwelling unit for 2010 is 79.61 HCF annually, or 163 gallons per day. The calculation of an annual bill based on that consumption yields a proposed charge for residential well customers of \$384.27, effective July 1, 2011. This is \$34.90 less than the current residential well customer charge, and \$48.83 less than the rate initially proposed by NBC in Docket 4214.

The Division's opinion is that the proposed residential well customer rate of \$384.27, for effect July 1, 2011, is correctly calculated and we recommend that it be approved. All other rate changes indicated in the marked-up tariff pages in the filing reflect the already-approved increase in Docket 4214, and reflect the 3.21 percent

increase for debt service approved by the Commission in its Decision in the docket issued January 28, 2011 (Order No. 20268).