

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE CITY OF NEWPORT, UTILITIES :
DEPARTMENT, WATER DIVISION :
PETITION TO AMEND MULTI-YEAR RATE PLAN : DOCKET NO. 4243

ORDER

WHEREAS, On November 29, 2011, the Public Utilities Commission (“Commission”) granted a revenue increase to the City of Newport, Utilities Department, Water Division (“Newport Water”) and also allowed a multi-year rate plan to increase rates in four separate phases, each to be effective at the start of each of the next fiscal years with the first effective on usage on and after July 1, 2012 for the purpose of funding the Water Treatment Plant Projects;¹ and

WHEREAS, On June 14, 2012, Newport Water filed a Petition to Amend Multi-Year Rate Plan with the Commission asserting that based on more accurate and recent data than was available during the pendency of the rate case such as the cost of the project, receipt of a draw down schedule from the vendor, and an imminent closing of the first borrowing to finance the Treatment Plant Projects, Newport Water proposed delaying the effective date of the first phase to April 1, 2013; and

WHEREAS, Newport Water submitted the Pre-Filed Testimony of Julia Fogue, P.E., Director of Utilities, and Harold J. Smith of Raftelis Financial Consultants, Inc., in support of its Petition; and

WHEREAS, On August 15, 2012, the Division of Public Utilities and Carriers (“Division”) filed Comments to Newport Water’s Petition asserting that after its review, the

¹ Order No. 20636 (issued February 2, 2012).

Division concurred that a rate increase was unnecessary “at this time because the increase in debt service requirements anticipated at the time of Order No. 20636 have been delayed.”;² and

WHEREAS, The Division noted that pursuant to the Commission’s Order approving the Rate Plan, Newport Water will need to submit a compliance filing to the Commission no later than January 1, 2013 or three months prior to the requested effective date of the proposed rate increase under the Rate Plan;³ and

WHEREAS, On August 30, 2012, at an Open Meeting, the Commission considered the Petition and Division Comments and approved the Petition to Amend Multi-Year Rate Plan, specifically noting that Newport Water is required to file its Compliance Tariffs for review by the Commission at least three months prior to the requested effective date with the items listed in the approved Rate Plan which was referenced as Appendix A to the Commission’s Order No. 20636.⁴

Accordingly, it is hereby

(20819) ORDERED:

1. The City of Newport, Utilities Department, Water Division’s Petition to Amend Multi-Year Rate Plan to delay the effective date of the second phase until April 1, 2013 is hereby approved.

² Division’s Comments dated August 10, 2012 at 2. Through its attorney, Portsmouth Water and Fire District (“PWFD”) advised Commission Counsel through electronic mail that PWFD did not intend to oppose Newport Water’s Petition and in fact, did not file any comments as part of this phase of the proceeding. The Navy also did not file any comments during the phase of the proceeding.

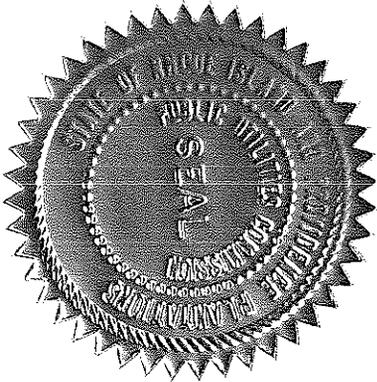
³ Division’s Comments dated August 10, 2012 at 2.

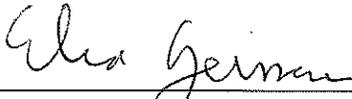
⁴ As stated in Order No. 20636, the Settlement Agreement recommended Commission approval of the multi-year rate plan, subject to the requirements of R.I.G.L. § 39-15.1-4, including providing the Commission, with copies to the parties to this docket, with “updated information regarding its borrowings including but not limited to the anticipated interest rates, borrowing costs, draw schedules, project costs as well as the anticipated date and source of the borrowings.” Order No. 20636 at 17 (quoting Joint Exhibit 1).

2. The City of Newport, Utilities Department, Water Division shall submit a compliance filing with new proposed tariffs consistent with the Settlement approved in Order No. 20636 no later than three months prior to the effective date.

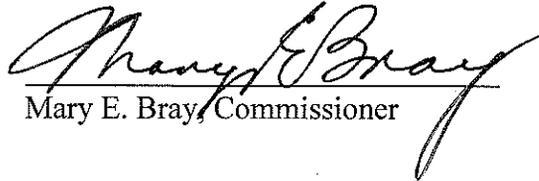
EFFECTIVE AT WARWICK, RHODE ISLAND ON AUGUST 30, 2012
PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED
SEPTEMBER 27, 2012.

PUBLIC UTILITIES COMMISSION





Elia Germani, Chairman



Mary E. Bray, Commissioner

Paul J. Roberti, Commissioner *;

*Commissioner Roberti 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.