
EXETER

ASSOCIATES, INC.

CONSULTING ECONOMISTS

10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044
(410) 992-7500
(410) 992-3445 FAX
topcat@exeterassociates.com

Thomas S. Catlin
Steven L. Estomin
Dwight D. Etheridge
Jerome D. Mierzwa
Christina R. Mudd
Kevin L. Porter

October 19, 2011

REF: 3412

Memorandum

To: Rhode Island Division of Public Utilities and Carriers
From: Thomas Catlin
Subject: Providence Water Supply Board
Docket No. 4287 – Fire Protection Charge

I have reviewed the filing made by the Providence Water Supply Board (Providence Water) to implement a Fire Protection Charge to recover the revenues previously recovered through Public Fire Protection (hydrant) charges paid by the City of Providence. This filing was necessitated by the City's election, effective August 18, 2011, to exempt itself from paying hydrant fees pursuant to RIGL 39-3-11.1(c).

Based on my review, I have verified that the proposed Fire Protection Charge that will be assessed only to customers located in the City of Providence will recover the revenue lost pursuant to the City's decision to cease paying hydrant charges. I have also confirmed that Providence Water will only assess the charge on a prospective basis beginning with the effective date approved by the Commission. Finally, the Providence Water's proposal to assess higher

Memorandum to Mr. John Bell
October 19, 2011
Page 2

Exeter Associates, Inc.

charges to customers with larger meters because properties with larger meters generally have greater fire protection requirements is not unreasonable. Accordingly, I recommend that the Division not object to Commission approval of the Providence Water filing.