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May 27, 2014

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

Re: Newport Water Dockets 4243 & 4355

Dear Ms. Massaro:

I am in receipt of a letter to you dated May 23, 2014 from Attorney Karen O. Lyons on behalf of the Division of Public Utilities and Carriers. In order to create a complete and accurate record in this Docket, I will address two issues raised in Attorney Lyon's letter.

- As you know from Newport Water's Reply Filing on May 21, 2014, it reached an agreement with the Portsmouth Water and Fire District to reduce Portsmouth's monthly base charge. Newport sent this agreement to the Division on the same day it was finalized – May 20, 2014. However, Newport and Portsmouth did not notify the Division of their discussions that preceded this final agreement. This lack of notice was inadvertent and unintentional as has been communicated to the Division on numerous occasions.
- 2. Undersigned counsel did not initiate any inappropriate ex-parte conversation with legal counsel for the Commission. There is simply no legal or factual basis for this statement. Undersigned counsel contacted the Commission's legal counsel to ask about the documentation Newport needed to submit to evidence its agreement with Portsmouth.

Counsel also notes that in Dockets with multiple parties as litigants, communications do not always occur between all the parties. For instance, in Docket 4406 the Division reached a Settlement Agreement with the Providence Water Supply Board alone before it notified any of

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the interveners of the settlement. Newport Water and its counsel respect the process in contested cases before the Commission and agree the Division should have been notified sooner about discussions with Portsmouth. However, Newport Water and its counsel did not intentionally ignore the applicable process and did not violate any rules in respect therewith.

Thank you for your attention to this matter.

Sincerely,

Joseph A. Keough, Jr.

JAK/kf Enclosures cc: Service List (*via e-mail*)