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PUBLIC UTILITIES COMMISSION

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RECEIVED

February 27, 2013

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

Re: Docket No. 4355 – Statement of Navy Position on new developments

Dear Ms. Massaro:

This letter follows up the email sent by Larry Allen last week setting forth the Navy's position regarding recent developments in this case prompted by the filing of Christopher Woodcock's supplemental testimony. As you requested, enclosed is a hard copy of the statement which was previously provided electronically.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ellen M. Evans".

Ellen M. Evans

NAVY POSITION ON RECENT DEVELOPMENTS IN RIPUC DOCKET #4355

It appears that NWD has not provided an accurate listing of its assets. Furthermore, the asset listing affects the allocation of costs to the classes significantly and improperly shifts costs from retail customers to PWFD and Navy metered sales customers. The Navy disagrees with PWFD's proposal to use estimates at this time and have Newport come back at a later time with a more complete and accurate listing. Instead, the entire COS study should be deemed invalid because concerns with such a basic component of the COS study such as asset listing calls into question the entire study. There is no excuse for not having an accurate accounting of a business's assets. Perhaps a full audit of NWD's books is required.

To allow NWD to keep coming back with updates to the COS study is unfair to customers of the system. The accuracy of the COS study has been an issue for several years and multiple rate cases. Every time NWD comes back with an updated study it results in additional analysis, time, effort, resources and funding requirements for intervenors. The cost of participation in these rate cases is excessive to the Navy and federal taxpayers, as well as the other interested parties. It is time to do an accurate COS study and quit "kicking the can down the road". The Commission should abandon this COS study, have a reliable one performed, and in the process ensure that all intervenors agree on the validity of the study and its timely implementation prior to presenting it to the RIPUC.