

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO. 4355

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission ("Commission") will conduct a public hearing on **Tuesday, February 26, 2013 @ 9:30 A.M.** in Hearing Room A of the Public Utilities Commission, located at 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter as required.

In this docket, the Commission will examine the propriety of a rate application by the City of Newport Water Division seeking approval to implement proposed new rates based on a Cost of Service Study using a Base/Extra Capacity cost allocation approach for effect April 1, 2013. The proposed rates are designed to recover costs from each customer class based on the class demand characteristics and are designed to be revenue neutral to Newport Water.

While the instant proposal is revenue neutral, the application incorporates Phase II of Newport Water's Multi-Year Rate Plan that was approved by the Commission on November 29, 2011 in Docket No. 4243, Order No. 20636, which application is also presently under examination. Under the Multi-Year Rate Plan, Newport Water may seek to increase revenues for debt service over four separate phases. In Phase II, Newport Water seeks revenues in the amount of \$2,145,647 to meet debt service requirement. Newport Water requests that the Cost of Service rates take effect concurrently with the Phase II rate increase authorized in Docket No. 4243.

The impact on a residential customer's bill with an annual consumption of 60,000 gallons is an increase of \$82.92 per year or 18%. The impact on all other classes will vary based on customer rate classification and consumption. The Commission can approve different rates that may be higher or lower than those proposed by the Newport Water Division.

The filing is on file for examination at the Commission's office and at office of the Newport Water Division, 70 Halsey Street, Newport, Rhode Island. The application can also be accessed at www.ripuc.org, Commission Docket Menu, Docket 4355. Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws.

The Public Utilities Commission is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Commission Clerk's office at 941-4500, seventy-two hours in advance of hearing date.

Luly E. Massaro, Commission Clerk
February 16, 2013