DIVISION OF P[UBLIC UTILITIES AND CARRIERS MEMORANDUM

TO: LULY MASSARO DATE: MAY 8, 2013 PUC CLERK

FROM: STEVE SCIALABBA RIDPUC

SUBJECT: NARRAGANSETT BAY COMMISSION PROPOSED ELIMINATION OF THE BOD AND TSS SURCHARGES. DOCKET 4401.

On March 20, 2013, the Narragansett Bay Commission filed a proposed revision to its tariffs to eliminate the Biological Oxygen Demand (BOD) and Total Suspended Solids (TSS) Surcharges. As NBC explained in its filing letter, there are operational reasons for eliminating the surcharge and that there is no longer a reason to provide a financial incentive to its customer base to reduce the level of BOS and TSS discharged into NBC's system. The elimination of the surcharge reduces NBC's revenues by approximately \$93,000. This effect has been factored into the record in NBC's rate case, Docket 4364. The Division recommends approving NBC's proposed elimination of the BOD and TSS surcharges from its tariff.