

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT :
BAY COMMISSION : **DOCKET NO. 4588**
NOTICE OF CHANGE TO TERMS :
AND CONDITIONS :

ORDER

On November 13, 2015, the Narragansett Bay Commission (NBC or Company) filed a tariff advice seeking to modify its existing Terms and Conditions Service Fee Schedule. The Company represented that the purpose of the filing was to address a request from the Division of Public Utilities and Carriers (Division) regarding NBC's calculation of customer abatements. Even though the change will result in an estimated reduction of \$120,000 in annual revenues from consumption user charges, the Company agreed with the Division that the modification should be made on a prospective basis.

On December 8, 2015, the Division filed with the Commission a detailed memorandum authored by Alberico Mancini. Mr. Mancini stated that the abatement adjustment is available to customers that have installed an abatement meter. He explained that an abatement meter measures a customer's usage of water that is not discharged into the sewer system. NBC has approximately 1,700 customers that are eligible for a water abatement adjustment who are not billed for water used but not discharged into the sewer system. Mr. Mancini noted that since 1995, as part of Docket No. 2216, the Commission eliminated the daily usage allowance and established a rate based on 85% of daily consumption. The rate recognizes that, generally 15% of a typical customer's water usage never enters the sewer system, because it is used outdoors. He

explained that the Commission chose to approve NBC's billing of customers for 100% consumption, but at a lower rate that took into account the assumed 15% of consumption that does not enter the sewer system. However, this 15% was still included in the abatement calculation. Mr. Mancini explained that once the abatement percentage is determined, 15% is deducted from this figure to determine total consumption for the purpose of billing.

Mr. Mancini set forth NBC's proposal to divide the sum of the total consumption minus the percentage of water not entering the sewer system by 85% to arrive at billable consumption. The Division recommended that the Commission approve NBC's proposed terms.

At an open meeting on December 16, 2015, the Commission unanimously approved NBC's proposal, finding it to be in the best interest of ratepayers. The Commission complimented the Division on its memorandum which provided a well-written, thorough explanation and analysis of a complicated issue. The Commission will review this issue further in NBC's next rate case.

Accordingly, it is hereby

(22306) ORDERED:

The Narragansett Bay Commission Notice of Change to Terms and Conditions is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON DECEMBER 16, 2015
PURSUANT TO A BENCH DECISION. WRITTEN ORDER ISSUED JANUARY 19,
2016.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner

Herbert F. DeSimone, Jr., Commissioner

Notice of Right of Appeal: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within 7 days from the date of the Order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or Order.