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November 13, 2015

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

Re: Notice of Change to Terms and Conditions

Dear Ms. Massaro:

Pursuant to Rule 1.9 (d) of the Rhode Island Public Utilities Commission's Rules of Practice and Procedure, the Narragansett Bay Commission ("NBC") seeks to change certain terms and conditions of its service. Enclosed you will find an original and nine (9) copies of the existing terms and conditions, the "marked-up" version of the proposed terms and conditions, and the "clean" version of the proposed terms and conditions.

These proposed changes are in response to a request from the Division of Public Utilities and Carriers regarding NBC's calculation of customer abatements. Although it is estimated that changing the method will result in a reduction in annual revenues from consumption user charges of approximately \$120,000, NBC agrees with the Division that the calculation should be modified on a prospective basis.

Please note that a copy of this filing has been provided to the Division of Public Utilities and Carriers and the Rhode Island Attorney General's Office. In addition, enclosed you will find a proposed public notice to be published in the Providence Journal. Please let me know if the notice meets with the Commission's approval so that it may be advertised.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph A. Keough, Jr.", written in a cursive style.

Joseph A. Keough, Jr.

Enclosures

cc: Rhode Island Division of Public Utilities and Carriers
Rhode Island Attorney General's Office

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

IN RE: THE NARRAGANSETT BAY COMMISSION

DOCKET NO.

NOTICE OF PROPOSED CHANGES TO TERMS AND CONDITIONS

The Narragansett Bay Commission (“NBC”) hereby gives notice that on November 13, 2015, it submitted a proposal to change its Terms and Conditions of service to the Rhode Island Public Utilities Commission (“Commission”) pursuant to Rule 1.9(d) of the Commission’s Rules of Practice and Procedure.

In this filing, the NBC proposes to change its method of calculating customer abatements. The proposed change results from a request by the Rhode Island Division of Public Utilities and Carriers. The proposed Terms and Conditions change is requested to be effective thirty (30) days from the date of publication of this Notice.

A copy of the proposed change to the NBC’s Terms and Conditions is on file for examination at the NBC’s office at One Service Road, Providence, RI and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, RI.

The Narragansett Bay Commission
One Service Road, Providence, RI 02905
<http://www.narrabay.com>

Narragansett Bay Commission
Terms & Conditions
Service Fee Schedule
(Effective February 12, 2009)

SERVICE	FEE
<u>Returned Check Fee</u>	\$20.00 per Check
<u>Lien Sale Fees:</u>	
Certified Mail	Billed at NBC contracted cost for Certified Mail Services
Title Fee	Billed at NBC contracted cost for Title Services
Newspaper Ad	Billed at advertising cost in relation to number of lien sales
Deed Fee	Billed at NBC contracted cost for Deed Services
Recording of Deed	\$83.00 each
Record of Redemption Certificate	\$83.00 each
Recording of Duplicate Redemption Certificate	\$83.00 each
Auctioneer Fee	Billed at Auctioneer cost in relation to number of lien sales
<u>Water Shut-off Fees:</u>	
Water Shut-off Fee	\$64.00
Water Reconnect Fee	\$43.00
Special Requests for services not listed above that do not benefit all customers	Billed at actual cost plus overhead rates in effect.
<u>Billing of Compound Meters</u>	Commercial or Industrial customer serviced by a compound (two-dial) meter with one meter used strictly as a fire supply shall be billed fixed fees based on the size of the domestic use dial. Consumption charges shall be based upon metered water usage of the domestic use dial.

Narragansett Bay Commission
Terms & Conditions
Service Fee Schedule
(Effective February 12, 2009)
continued

Abatement Terms

A property owner may apply for an adjustment to the water consumption used in the calculation of the consumption charge if they believe that more than fifteen percent (15%) of the source water does not discharge into the sewer system. Abatements are granted for only that percentage of water exceeding the 15% allowance and are effective from the approved date forward (not retroactive to cover previous usage).

Abatement Methodology

- 1) The amount of water used is determined based upon the input meter readings.
- 2) The amount of water not returned to sewer is determined based upon the abatement meter reading covering the same service period.
- 3) The percentage of water not returned to sewer is calculated by dividing the amount of water calculated in step 2 by the total usage determined step 1.
- 4) The abatement percentage is calculated by subtracting 15% from the percentage of water not returned to sewer calculated in step 3.
- 5) The abatement percentage is subtracted from 100% to determine the billable percentage.
- 6) The billable percentage is applied against the total water used in step 1 to determine the billable consumption amount.
- 7) Consumption charge is applied against the billable consumption amount.
- 8) In all cases usage figures will be prorated to take into consideration different meter reading periods and rate changes.

Methodology Example:

- 1) Assume input meter measures usage of 200 HCF
- 2) Assume abatement meter measures usage of 100 HCF for the same service period
- 3) Percentage of water not returned to sewer is 50% (100 HCF/200 HCF)
- 4) Abatement percentage is 35% (50% - 15%)
- 5) Billable percentage is 65% (100% - 35%)
- 6) Billable consumption is 130 HCF (200HCF x 0.65)
- 7) Consumption charge is 130 HCF x user rate /HCF

**Narragansett Bay Commission
Terms & Conditions
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(Effective ~~February 12, 2009~~ January 1, 2016)

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**Narragansett Bay Commission
Terms & Conditions
Service Fee Schedule**

(Effective ~~February 12, 2009~~ January 1, 2016)

continued

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- ~~5) The abatement percentage is subtracted from 100% to determine the billable percentage.~~
- ~~6) The billable percentage is applied against the total water used in step 1 to determine the billable consumption amount.~~
- ~~7) Consumption charge is applied against the billable consumption amount.~~
- ~~8) In all cases usage figures will be prorated to take into consideration different meter reading periods and rate changes.~~
- 1) The amount of water used is determined based upon the input meter readings.
- 2) The amount of water not returned to sewer is determined based upon the abatement meter readings covering the same service period.
- 3) The amount of water returned to sewer is calculated by subtracting the abatement usage from the input usage.
- 4) The water returned to sewer is adjusted to reflect the 15% built into sewer rates by dividing the usage calculated in line 3 by 0.85.
- 5) The consumption bill is calculated by multiplying the consumption calculated in step 4 by the billing rate.
- 6) In all cases usage figures will be pro-rated to take into consideration different meter reading periods and rate changes.

Methodology Example:

- ~~1) Assume input meter measures usage of 200 HCF~~
- ~~2) Assume abatement meter measures usage of 100 HCF for the same service period~~

~~3) Percentage of water not returned to sewer is 50% $(100 \text{ HCF} / 200 \text{ HCF})$~~

~~4) Abatement percentage is 35% $(50\% - 15\%)$~~

~~5) Billable percentage is 65% $(100\% - 35\%)$~~

~~6) Billable consumption is 130 HCF $(200 \text{ HCF} \times 0.65)$~~

~~7) Consumption charge is 130 HCF \times user rate / HCF~~

1) Determine total consumption based on meter readings (assume 200 HCF)

2) Determine abatement use per meter (assume 100 HCF)

3) Subtract line 2 from line 1 to determine water returned to sewer (100 HCF)

4) Divide line 3 by 0.85 to adjust for allowance built into rates and determine billable consumption (117.65 HCF)

5) Multiply line 4 by user rate to determine consumption charge (e.g. $\$3.478 / \text{HCF} \times 117.65 \text{ HCF} = \409.19)

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- 3) Subtract line 2 from line 1 to determine water returned to sewer (100 HCF)
- 4) Divide line 3 by 0.85 to adjust for allowance built into rates and determine billable consumption (117.65 HCF)
- 5) Multiply line 4 by user rate to determine consumption charge (e.g. \$3.478/HCF x 117.65 HCF - \$409.19)