

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

Petition of the PROVIDENCE WATER SUPPLY BOARD

Docket No.: 4618

**INTERVENOR CITY OF WARWICK'S POSITION STATEMENT**

Now comes the City of Warwick (“Warwick”), by and through its City Solicitor, and hereby provides this Position Statement in opposition to the Providence Water Supply Board’s (“Providence”) request to transfer funds from its restricted revenue reserve to its operating account (the “Petition”)(Assigned Docket No.: 4618). As set forth in the Petition, Providence seeks to transfer \$2,394,651.28 from the Restricted Revenue Reserve Fund – over 50 percent of the entire account.<sup>1</sup> As proposed, the Petition will have no immediate impact on retail, wholesale or other consumption rates. However, infusion of reserve funds into the Providence’s operating budget will establish a structural deficit – a fundamental imbalance in government receipts and expenditures. This shortfall will need to be made up in the next fiscal year by double – which must be addressed through expenditure reductions, revenue increases and/or a combination of such actions.

Of particular concern is Ms. Parrillo’s admission in her testimony that the reduction in retail consumption “continues a general downward trend as it has for the last ten (10) years.”<sup>2</sup> It is an inescapable conclusion that if retail consumption is in a downward trend and expenses are not comparatively reduced then revenue will necessarily need to be increased. This proposed funds transfer does not address the problem, only forestalls properly addressing the problem and undermines the financial integrity of Providence’s operation. Consumers would be unfairly and

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<sup>1</sup> See Testimony of Nancy E. Parrillo at page 3, lines 8-10 provided in letter of transmittal filed by the Providence Water Supply Board in Docket 4618 (Oct. 27, 2017).

<sup>2</sup> Id. page 2, lines 20-22.

unnecessarily burdened with the financial obligation from Providence's poor fiscal management. Furthermore, Providence offers no evidence to show that they examined options to reduce and/or eliminate expenses to partially or fully reduce the need for additional revenue.

For these reasons Warwick objects to the Petition and hereby requests the PUC to deny the requested relief sought by Providence in their Petition.

Respectfully submitted,  
CITY OF WARWICK,  
By and Through Its Attorney,

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