

DIVISION OF PUBLIC UTILITIES AND CARRIERS

Memorandum

To: Luly Massaro

From: Alberico Mancini, Rate Analyst

Date: January 5, 2017

Subject: Narragansett Bay Commission (NBC)
Change in Terms and Conditions Docket No. 4680

NBC's filing seeks to change certain terms and conditions of its service pursuant to Rule 1.9 (d) of the Public Utilities Commission's Rules of Practice and Procedure. NBC has provided a copy of the existing terms and conditions, a "marked-up" version of the proposed terms and conditions, and a "clean" version of the proposed terms and conditions.

In its filing, NBC proposes the following changes and/or additions to its terms and conditions:

- Change in Water Shut-off and Reconnection Fees.
- A methodology for calculating the billing of Output Meters.
- A provision for providing abatements when an abatement meter is not feasible.

Water Shut-off Fee

When NBC terminates service for non-payment, the local water utility actually performs the termination on behalf of NBC. NBC is requesting a language change that will allow NBC to bill those customers who have been terminated for non-payment, the shut-off amount charged by the customers' particular water supplier. These shut-off charges vary for each water utility ranging from \$100 and upwards to \$200 per instance. The Division agrees that water shut-off charges should be billed at the same rate charged by the water utility performing the shut-off.

Billing of Output Meters

NBC customers that are billed a consumption fee based on an output meter are currently billed for 100% of their actual usage entering the sewer system. NBC's consumption rate which is billed at 100% of water consumption includes a 15% allowance for water that does not return to the sewer system. Therefore, if an output meter is registering 100% of the actual water discharged into the sewer system, there needs to be an adjustment to account for the 15%. The methodology NBC is proposing is similar to NBC's abatement calculation where the total consumption discharging into the sewer system is divided by 85% in order to correctly account for the 15% allowance.

The Division agrees with NBC's methodology for billing output meters as the Division supported the same methodology when NBC filed to amend its abatement calculation which was approved by the Commission in Docket No. 4588.

Abatement Methodology:

NBC customers have the option of participating in the abatement program if they can demonstrate that more than 15% of their total water consumption does not discharge into the sewer system. This is accomplished by customers installing an abatement meter to accurately register all water consumption not being discharged to the sewer system. In certain cases, NBC explains that it is not feasible for a customer to install an abatement meter that will accurately register what water consumption will not discharge into the sewer system or install an output meter that will accurately register the total water discharged into the sewer system. The new language would allow NBC a certain amount of discretion when calculating sewer abatements for special circumstances.

The Division has reviewed NBC's request and recommends that the Commission approve NBC's modified Terms and Conditions as filed.