

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF NEWPORT, UTILITIES            :**  
**DEPARTMENT, WATER DIVISION                :**  
**APPLICATION TO CHANGE RATES                :**                **DOCKET NO. 4933**  
**MULTI-STEP RATE PLAN EXTENSION         :**  
**AND YEAR 2 RATE CHANGE                    :**

**ORDER**

WHEREAS, on November 7, 2019, the Public Utilities Commission (Commission) approved a two-step multi-year rate plan resulting from a Revised Settlement Agreement between the City of Newport, Utilities Department, Water Division (Newport Water), the Division of Public Utilities and Carriers (Division), Portsmouth Water and Fire District, the Department of the Navy, and the Town of Middletown;<sup>1</sup> and

WHEREAS, the Step One increase took effect in Fiscal Year 2020 while the Step Two was to take effect on July 1, 2021 in order to allow an increase in debt service funding; and

WHEREAS, on March 30, 2021, Newport Water filed a Petition to delay Step Two one year, or until July 1, 2022, indicating that it had received money from the Rhode Island Infrastructure Bank for a series of loan refundings; and

WHEREAS, the Petition to delay Step Two was approved by the Commission on June 10, 2021; and

WHEREAS, on May 2, 2022, Newport Water filed for approval of the Step Two rate change, but with a debt service funding increase lower than originally anticipated; and

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<sup>1</sup> Order No. 23855 (July 1, 2020).

WHEREAS, the original annual increase to debt service funding was anticipated to be \$1,337,412, the actual reported need was \$920,004, which could be met through an increase of \$906,047 per year above the revenue that would be generated under the rates then in effect;<sup>2</sup> and

WHEREAS, on June 1, 2022, the Division submitted a Memorandum from John Bell, Chief Accountant summarizing the filing and finding the Step Two request complied with the Revised Settlement Agreement and therefore, did not object to the requested increase;<sup>3</sup> and

WHEREAS, an evidentiary hearing was conducted at the Commission's office on June 14, 2022; and

WHEREAS, on June 21, 2022, at an Open Meeting, the Commission considered the filings and approved an increase of \$906,047 per year beginning on July 1, 2022, for increased debt service under the second and final phase of its previously approved multi-year rate plan; and

WHEREAS, on July 8, 2022, Newport Water submitted Compliance Tariffs which were subsequently approved by the Commission at an Open Meeting conducted on July 14, 2022.

Accordingly, it is hereby,

(24787) ORDERED:

1. The City of Newport, Utilities Department, Water Division's Petition to Amend Multi-Year Rate Plan to delay Step 2 increase from July 1, 2021 to July 1, 2022, is approved.
2. The City of Newport, Utilities Department, Water Division is authorized to increase rates by \$906,047 effective July 1, 2022.
3. The City of Newport, Utilities Department, Water Division's Compliance Tariffs filed on July 8, 2022, are hereby approved.

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<sup>2</sup> Pet. at ¶ 13.

<sup>3</sup> Bell Mem. at 1 (June 1, 2022).

EFFECTIVE AT WARWICK, RHODE ISLAND, ON JULY 1, 2022, PURSUANT TO  
OPEN MEETING DECISIONS ON JUNE 10, 2021, JUNE 21, 2022 AND JULY 14, 2022.  
WRITTEN ORDER ISSUED ON AUGUST 18, 2023.

PUBLIC UTILITIES COMMISSION



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Ronald T. Gerwatowski, Chairman



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Abigail Anthony, Commissioner



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John C. Revens, 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 seven (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.