



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

*Patrick C. Lynch, Attorney General*

September 13, 2010

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

**Re: PAWTUCKET WATER SUPPLY BOARD APPLICATION TO CHANGE  
RATES-Docket No. 4171**

Dear Ms. Massaro,

Enclosed for filing with the Commission are an original and Nine (9) copies of the Division of Public Utilities and Carriers (the "Division") Motion to Conform Notice and Supporting Memorandum in the above matter.

Thank you for your attention to this matter.

Very truly yours,

Jon G. Hagopian

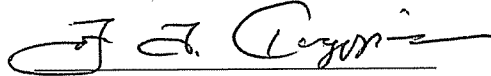
Special Assistant Attorney General

cc: Service List (e-mail only)



Thomas Ahern, Administrator  
State of Rhode Island  
Division of Public Utilities and  
Carriers

By his attorney,

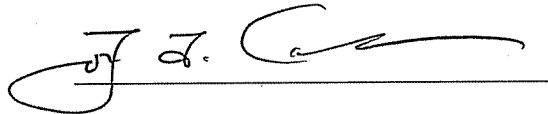


Jon G. Hagopian, Esq. (#4123)  
Special Assistant Attorney General  
State of Rhode Island  
Department of Attorney General  
150 South Main Street  
Providence, R.I. 02903  
Tel.: 401-274-4400

Dated: September 13, 2010

### **CERTIFICATION OF SERVICE**

I hereby certify that on the 13th day of September, 2010, that I transmitted an electronic copy of the within Motion and Memorandum to the attached service list and to Luly Massaro, Commission Clerk via electronic mail and regular mail.





review and analysis of the PWSB filing<sup>2</sup>. In this case, an issue has arisen as to the accuracy of the Notice. The result is that ratepayers have been inadequately informed of the actual rate impacts resulting from the proposed change to monthly billing and the actual increase in revenues that will be generated by the rate change request sought in PWSB's application. The effects of the rate change contained in the Notice are predicated on the assumption that all customers are currently billed monthly whereas all but 97 out of 22,952 are currently billed quarterly. As a result the revenues generated under current rates and billing practices are lower than the PWSB's filing and notice indicate. The conversion from quarterly to monthly billing will allow PWSB to collect an additional \$885,937 above the \$2,611,293 in additional revenues sought to be recovered by the PWSB in its application here. The Notice of PWSB does not articulate this fact.

Additionally, the proposed change from quarterly to monthly billing combined with the additional revenue increase sought by PWSB will cause the bill to an average residential customer who annually consumes 96 HCF to increase from \$406.94 to \$522.19 per year. This represents an increase in billing of \$115.25 per year or a 28.32% increase. This is not articulated in the Notice, which states that the typical residential customer who annually consumes 96 HCF will incur an increase of \$76.44 per year or 17.16 %.

The Notice therefore should be conformed to reflect PWSB's actual billing practice in order that the ratepayers are adequately informed of actual rate increases and impacts. The Notice has significant variances with the PWSB request which will cause ratepayers to be

---

<sup>2</sup> A task made more difficult by the fact that PWSB's direct schedules reflect current revenues as if monthly billing is already in effect. Even though the Division notified the PWSB prior to its rebuttal filing, the rebuttal schedules continue to reflect monthly billing in current revenues.

misinformed. It is the obligation of the Applicant to provide a sufficient notice to inform ratepayers of proposed changes in rates which should not be thrust upon the Commission or its staff. The Division is placing these facts before the Commission to make it aware of what its review of these matters has revealed.

For the foregoing reasons the Division respectfully requests the attached motion be granted.

Respectfully submitted,

Thomas Ahern, Administrator  
State of Rhode Island  
Division of Public Utilities and  
Carriers

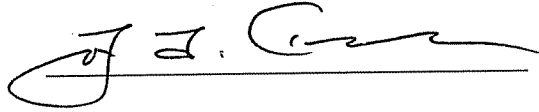
By his attorney,



Jon G. Hagopian, Esq. (#4123)  
Special Assistant Attorney General  
State of Rhode Island  
Department of Attorney General  
150 South Main Street  
Providence, R.I. 02903  
Tel.: 401-274-4400

**CERTIFICATE OF SERVICE**

I hereby certify that on the 13th day of September, 2010, that I transmitted an electronic copy of the within Motion and Memorandum to the attached service list and to Luly Massaro, Commission Clerk via electronic mail and regular mail.

A handwritten signature in black ink, appearing to read "J. J. Conroy", is written over a horizontal line.

Dated: September 13, 2010

EXHIBIT "A"

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: PAWTUCKET WATER SUPPLY BOARD  
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO.

NOTICE OF FILING AND CHANGE IN RATE SCHEDULES

On April 14, 2010, pursuant to the Rhode Island General Law § 39-3-11 and Part II of the Rhode Island Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Pawtucket Water Supply Board ("PWSB") hereby gives notice that it has filed with the Commission an application to increase its rates.

In its filing, the PWSB seeks to implement a multi-year rate plan through a two step increase pursuant to R.I.G.L. § 39-15.1-4. In the first step of the increase, proposed to take effect on May 14, 2010, the PWSB's proposed rates are designed to collect additional operating revenue in the amount of \$2,612,298 to support total operating revenue requirements of \$19,784,536. The impact of this request will result in a 15.2% increase in total revenues. For a typical residential customer who uses 96 HCF of water per year, the impact of this request will result in an increase of \$76.44 per year, or 17.16%. The impact on other retail customers' bills will vary based on classification and consumption level.

In the second step of the increase, proposed to take effect on January 1, 2012, the PWSB's proposed rates are designed to collect additional operating revenue in the amount of \$900,053 to support total operating revenue requirements of \$20,684,214. The impact of this request will result in an additional 4.5% increase in total revenues. For a typical residential customer who uses 96 HCF of water per year, the impact of this request will result in an increase of \$23.52 per year, or 4.5%. The impact on other retail customers' bills will vary based on classification and consumption level.

Please note that while the PWSB is requesting this revenue increase, the Commission, after full investigation and hearings, may order a different revenue requirement and rate.

While the new rates requested under the first step of this increase are proposed to become effective May 14, 2010, the Commission can suspend the rates up to nine months from the proposed effective date. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. Ratepayers may comment on the proposed rate increases at that time.

A copy of the application is on file for examination at the PWSB's office and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. A copy of the filing was also provided to the Cities of Pawtucket and Central Falls, Rhode Island and the Town of Cumberland, Rhode Island. A copy was also provided to the Rhode Island Attorney General's Department, Consumer Division. Subscriber billing statements will contain notice of this filing. Some larger subscribers will receive notice in their monthly billing and others in their regular billing.

Pawtucket Water Supply Board  
85 Branch Street, Pawtucket, RI 02860  
<http://www.pwsb.org>