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December 14, 2023

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

*Re: City of Newport, Utilities Department, Water Division
Docket 5254*

Dear Ms. Massaro:

Enclosed please find an original and nine copies of:

1. City of Newport, Utilities Division, Water Department's Compliance Filing.

Please note that an electronic copy has been sent to the service list for this Docket. Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosure

cc: Docket 5254 Service List (*via electronic mail*)

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

**IN RE: THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER
DIVISION'S MISCELLANEOUS PETITION TO RECOVER
ELECTRONIC PAYMENT FEES**

DOCKET 5254

THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION'S COMPLIANCE FILING

I. INTRODUCTION

Now comes the City Of Newport, Utilities Department, Water Division ("Newport Water" or "Newport") and hereby submits this Compliance filing to the Rhode Island Public Utilities Commission ("Commission") in conformance with the Commission's Order issued on August 18, 2023 (No. 24788) in the above captioned Docket.

II. FACTUAL BACKGROUND

1. On April 29, 2023, Newport Water submitted a Miscellaneous Petition To Recover Electronic Payment Transaction Fees ("Petition").
2. This Petition was filed in conjunction with the Commission's Order in Docket 5022, which ordered utilities to absorb late fees, interest charges, credit card fees, debit card fees, and ACH fees during the COVID-19 pandemic.
3. Through several subsequent orders, these various restrictions were relaxed and/or lifted.
4. In particular, at the Commission's November 5, 2021 Open Meeting, it approved an order allowing utilities to reinstate late fees and interest charges upon thirty days-notice to customers.
5. However, the Commission's November 5, 2021 order required utilities to continue

absorbing transaction fees such as credit card and debit card fees (“Electronic Payment Transaction Fees”).

6. At the November 5, 2021 Open Meeting, the Commission recognized that many utilities – such as Newport Water – did not have revenues included in their costs of service to pay transaction fees on behalf of their customers.
7. As such, the Commission allowed any such utility to file for rate recovery of any such fees already incurred, and fees it will incur on an ongoing basis, until the utility’s next general rate filing.
8. Then, in the next general rate filing, any such utility must seek approval of these costs as part of its cost of service in the same manner as any other expense.
9. In its Docket 5254 Order, the Commission allowed Newport to withdraw Electronic Payment Transaction Fees it incurred from July 1, 2020 to June 30, 2022 (\$128,321.55).
10. The Commission also allowed Newport Water to collect funds to cover ongoing Electronic Payment Transaction Fees, subject to a “true-up” mechanism agreed to between Newport Water and the Rhode Island Division of Public Utilities and Carriers, which provided:
 - a. An allowance of \$74,400 to cover Electronic Payment Fees should be included in the Customer Service O&M budget item.
 - b. As part of the Customer Service O&M budget item, 50% of this expense (\$37,200) is allocable to the City of Newport Water Pollution Control Division (“WPC”).
 - c. Under the current formula for allocating the WPC share, it pays .632% of the 50% share of this expense, or \$23,510.40.
 - d. Thus, Newport could collect \$74,400 in rates and \$23,510.40 from WPC for a total of \$97,910.40.

- e. At the end of the fiscal year, Newport will determine the exact amount of Electronic Payment Fees it paid on behalf of customers.
- f. If Newport pays more than \$97,910.40, it will be allowed to withdraw the balance from the restricted Revenue Reserve Account.
- g. If Newport pays less than \$97,910.40, it will deposit the balance in the restricted Revenue Reserve Account.
- h. By way of example:
 - 1. If Newport demonstrated that it paid \$110,000 in Electronic Payment Fees in FY23, it would be allowed to withdraw \$12,089.60 from the restricted Revenue Reserve Account.
 - 2. If Newport demonstrated that it only paid \$90,000 in Electronic Payment Fees in FY23, it would be required to deposit \$7,910.40 in the restricted Revenue Reserve Account.

III. RELIEF REQUESTED

Pursuant to the schedule attached as Exhibit 1, Newport Water requests that it be allowed to deposit \$14,969.40 into the Revenue Reserve Account in accordance with the “true-up” mechanism set forth above.

IV. CONCLUSION

WHEREFORE, for the reasons set forth herein, the City Of Newport, Utilities Department, Water Division prays that the Rhode Island Public Utilities Commission grant the relief sought herein and all other relief it deems meet and just.

Exhibit 1

Water Division
PUC Order dated August 18, 2023
Docket 5254
Annual True-up - FYE 2023

As of 06/30/2023

Water - Bank fees actual expense - 15500209-050120	\$	86,886.84
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Calculation - Water Pollution Control Share :		
Total Bank fees incurred by Water Division	\$	86,886.84
50% allocable to WPC	\$	43,443.42
WPC share - 63.2%	\$	27,456.24

Adjustment to/from Restricted Revenue Reserve Account:		
Amount collected in rates	\$	74,400.00
Add: WPC share	\$	27,456.24
Total collected in rates and from WPC	\$	101,856.24
Actual Bank Fees incurred by Water in FY2023	\$	(86,886.84)
Amount to be transferred to Restricted Revenue Reserve Account	\$	14,969.40

The City Of Newport,
 Utilities Department, Water Division,
 By its attorney,

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CERTIFICATION

I hereby certify that on December 14, 2023, I sent a copy of the within to all parties set forth on the Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

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File an original and six (6) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ; John.harrington@puc.ri.gov ; Alan.nault@puc.ri.gov ;	401-780-2107

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