



## STATE OF RHODE ISLAND

### DIVISION OF PUBLIC UTILITIES & CARRIERS

Accounting Section  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888  
(401) 941-4500  
(401) 941-9248 – Fax

**To: Stephanie DeLaRosa, Commission Clerk  
Rhode Island Public Utilities Commission**

**From: John Bell, Chief Accountant  
Division of Public Utilities & Carriers (“Division”)**

**Date: May 13, 2026**

**Re: R.I.P.U.C. Docket No. 24-51-WW  
Providence Water Supply Board, Multi-Year Plan  
Step 2 - Compliance Filing**

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On July 24, 2025, the Public Utilities Commission (“Commission”) held an Open Meeting to discuss and decide Docket No. 24-51-WW, *Providence Water Supply Board Multi-Year Plan*. The Commission established the revenue requirement for Rate Year 1 (FY 2026) but left the revenue requirement for Rate Year 2 (FY 2027) open. The outstanding issues for Rate Year 2 involved Restricted Accounts and electricity.

On August 22, 2025, the Commission issued Order No. 25493, directing Providence Water Supply Board (“Providence Water”) to submit a compliance filing on or before May 1, 2026. The purpose of this filing was to inform the Commission of: (1) the current balances of each Restricted Account; (2) any proposed adjustments to those accounts; and (3) any transfers among the accounts that could affect the revenue requirement for Rate Year 2. The Commission also directed Providence Water to leave the Rate Year 2 revenue requirement open to address how it would achieve its 100% renewable goal for electricity.

On March 31, 2026, Providence Water submitted its compliance filing in accordance with Order No. 25493. On April 9, 2026, the Commission issued a Procedural Schedule stating: “The issues in this case are limited to compliance with the PUC’s Order No. 25493 with respect to the Rate Year 2 filing.” The applicable provisions were Ordering Paragraphs 4 and 5, which address the Restricted Accounts and electricity issues.

Providence Water's compliance filing included the prefiled testimony of Collin Drat and Gregg Giasson. Mr. Drat addressed the Restricted Accounts in accordance with Ordering Paragraph 4, and Mr. Giasson addressed electricity issues pursuant to Ordering Paragraph 5.

Mr. Drat's testimony provides actual restricted account balances through February 2026, along with projections through FY 2027. He recommends no adjustments or transfers among the accounts but proposes that the Insurance Account be unrestricted going forward. Based on its review of Mr. Drat's testimony and responses to data requests, the Division does not object to Providence Water's proposals regarding the Restricted Accounts.

In support of this position, the Division notes that three of the Restricted Accounts (Property Tax Refund, Western Cranston, and Lead Service Replacement) currently receive no rate funding, and therefore no funding adjustments are necessary. Additionally, the Meter, Equipment, and Chemical/Sludge Accounts are projected to experience expenditures exceeding funding levels in FY 2027, thereby reducing their balances. Therefore the Division does not recommend any funding changes to these accounts. The current Capital Account funding level remains necessary to ensure timely debt service payments. As documented in this docket and in Providence Water's Infrastructure Replacement ("IFR") Plan, the utility continues to face significant infrastructure needs. Accordingly, the Division does not recommend any changes to the current IFR funding level. The Division also does not oppose Providence Water's proposal to unrestricted the Insurance Account, as doing so will improve cash flow management.

Mr. Giasson's testimony provides updates on solar production and electricity consumption through February 2026. He further testified that, in calendar year 2025, Providence Water generated 7,769 Renewable Energy Certificates ("RECs"), of which 2,733 were excess and scheduled for sale in spring 2026. Based on its review, the Division does not recommend any adjustments to electricity costs or the treatment of excess RECs.

## **Conclusion**

Based on its review of Providence Water's compliance filing, the Division concludes that Providence Water has satisfied the requirements of Ordering Paragraphs 4 and 5 of Order No. 25493. The Division therefore recommends that the Commission approve the Rate Year 2 rates as filed.