

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT WATER :
DIVISION APPLICATION TO : DOCKET NO. 3578
CHANGE RATE SCHEDULES :

ORDER REGARDING NEWPORT WATER DIVISION'S
REQUEST TO REPAY CITY IN FY 2006

On June 1, 2006, the City of Newport, Utilities Department Water Division ("Newport Water" or "Company") submitted a Miscellaneous Petition to the Commission requesting that the company be allowed to pay the FY 2006 installment payment to the City of Newport ("City"). This payment will reduce the outstanding loan due to the City from \$1.5 million to \$1.0 million. As of May 31, 2006, Newport Water had a balance in its Restricted Repayment Account of approximately \$1,013,000. In support of its Miscellaneous Petition, Newport Water submitted a Compliance Filing to show that during FY 2006, it was in compliance with each of the Commission's reporting requirements, something which is a precursor to repayment to the City.

On June 14, 2006, the Division of Public Utilities and Carriers ("Division") filed a letter indicating that the Division does not oppose repayment. The Division noted that there were adequate funds in the Repayment to City Account, but also noted that Newport Water has experienced a cash flow problem during the prior twelve months. However, the Division believed the situation should improve during the summer months when higher usage leads to higher revenues.¹

At its Open Meeting of June 22, 2006, after reviewing the filings and Newport Water's most recent periodic filings, the Commission approved Newport Water's request finding that the Company had complied with each of the Commission directives during

¹ Division Letter dated June 14, 2006.

the previous twelve-month period and that there were sufficient funds in the Repayment to City Account to meet the obligation.

Accordingly, it is hereby

(18700) ORDERED:

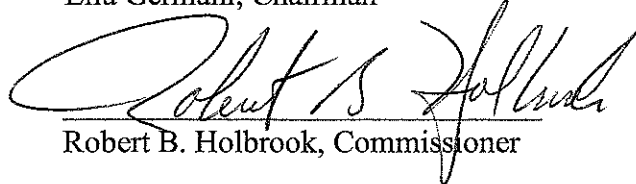
1. City of Newport, Utilities Department Water Division's request to repay the \$500,000 installment on its debt to the City of Newport for FY 2006 is approved.
2. City of Newport, Utilities Department Water Division shall comply with all other findings and instructions contained in this Order.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JUNE 22, 2006
PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED
AUGUST 23, 2006.

PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman



Robert B. Holbrook, Commissioner



Mary E. Bray, Commissioner

