

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY BOARD :  
REQUEST TO DRAW FROM RESTRICTED : DOCKET NO. 3832-A  
REVENUE RESERVE ACCOUNT :

ORDER

WHEREAS, On September 1, 2009, Providence Water Supply Board (“Providence Water”) filed a Request to Draw from the Restricted Revenue Reserve Account with the Public Utilities Commission (“Commission”);<sup>1</sup> and

WHEREAS, In support of its request, Providence Water submitted the pre-filed direct testimony of Jeanne Bondarevskis, its Director of Finance; and

WHEREAS, Providence Water provided evidence that it had experienced reduced overall consumption 8.5% below that which was projected and upon which rates were set in Docket No. 3832, resulting in an approximately \$4.3 million shortfall; and

WHEREAS, Providence Water requested permission to transfer \$1,565,650, the balance in its restricted reserve fund as of June 30, 2009, to the operating fund and book the remaining amount of the shortfall as a Due to Operating in the Revenue Reserve Fund; and

WHEREAS, the Commission issued data requests to Providence Water regarding the request; and

WHEREAS, On September 22, 2009, the balance of the restricted revenue reserve fund was approximately \$1,933,549; and

---

<sup>1</sup> In Order No. 19145, the Commission allowed Providence Water a revenue reserve such that “two percent of the reserve shall be restricted and may only be used to cover shortfalls in allowed revenues upon a showing by Providence Water Supply Board that the shortfall resulted from reduced consumption.” (Order No. 19145, p. 82, issued December 13, 2007).

WHEREAS, on September 22, 2009, the Division of Public Utilities and Carriers (“Division”) submitted a Memorandum from John Bell, Public Utilities Analyst, recommending the Commission allow Providence Water to transfer the balance of the restricted revenue reserve account to the general fund and further, not objecting to Providence Water’s proposal to record the current shortfall as a Due to Operating in the Revenue Reserve Fund; and

WHEREAS, on September 23, 2009, Kent County Water Authority (“KCWA”), a wholesale customer of Providence Water, filed a letter in support of Providence Water’s request; and

WHEREAS, On October 5, 2009, after review of Providence Water’s Request, the Commission found that Providence Water satisfied the requirements for drawing \$1.9 million from the Revenue Reserve Fund and approved Providence Water’s request to transfer funds; and

WHEREAS, The Commission rejected Providence Water’s request to create a “Due To Operating” in the Revenue Reserve Fund for the remaining shortfall amount.<sup>2</sup>

Accordingly, it is hereby

(20159) ORDERED:

1. Providence Water Supply Board is hereby authorized to draw \$1,933,548.55 from the Revenue Reserve Fund for the purposes of reducing a shortfall in revenues due to decreased consumption.

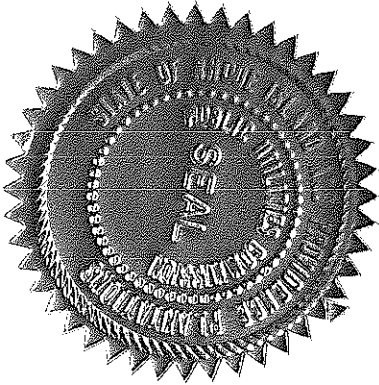
---

<sup>2</sup> On October 5, 2009, the Commission also ruled on a proposed Settlement Agreement presented in Docket No. 4061, *In re: Providence Water Supply Board Application to Change Rate Schedules*, in which the Commission approved IFR funding in addition to that contained in the Settlement Agreement in light of the fact that the IFR Fund was the least funded restricted account resulting from the shortfall addressed in the instant docket.

2. Providence Water Supply Board's request to create a Due to Operating within the Revenue Reserve Fund for the remaining shortfall amount is hereby denied.

EFFECTIVE AT WARWICK, RHODE ISLAND ON OCTOBER 5, 2009  
PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED ON  
OCTOBER 12, 2010.

PUBLIC UTILITIES COMMISSION



  
\_\_\_\_\_  
Elia Germani, Chairman

  
\_\_\_\_\_  
Mary E. Bray, Commissioner

  
\_\_\_\_\_  
Paul J. Roberti, Commissioner

**NOTICE OF RIGHT OF APPEAL** PURSUANT TO R.I.G.L. SECTION 39-5-1, ANY PERSON AGGRIEVED BY A DECISION OR ORDER OF THE COMMISSION MAY, WITHIN SEVEN DAYS (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.