

# KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW  
41 MENDON AVENUE  
PAWTUCKET, RHODE ISLAND 02861  
**TELEPHONE** (401) 724-3600  
**FACSIMILE** (401) 724-9909  
www.keoughsweeney.com

**JOSEPH A. KEOUGH JR.\***  
**JEROME V. SWEENEY III\***

**SEAN P. KEOUGH\***  
**STACIL L. KOLB**

**JEROME V. SWEENEY II**  
**OF COUNSEL**

\*ADMITTED TO PRACTICE IN  
RHODE ISLAND & MASSACHUSETTS

RAYNHAM OFFICE:  
90 NEW STATE HIGHWAY  
RAYNHAM, MA 02109  
TEL. (508) 822-2813  
FAX (508) 822-2832

BOSTON OFFICE:  
171 MILK STREET  
SUITE 30  
BOSTON, MA 02109  
TEL. (617) 574-0054  
FAX (617) 451-1914

May 21, 2014

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

**Re: *Newport Water Dockets***  
***4243 & 4355***

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the following documents:

1. Revised Tariff;
2. Revised Marked-up Tariff;
3. Memorandum of Understanding Between the Portsmouth Water & Fire District and Newport Water.

As set forth in the Memorandum of Understanding, Newport Water filed a Tariff Advice and Petition for Relief on March 4, 2014 seeking to revise its Tariffs and reduce its monthly base charge to collect the same amount of base charge revenue previously authorized by the Commission in Docket 4355. As part of the filing, Newport proposed to issue a base charge to Portsmouth in the amount of \$65.07 per month (\$780.84 per year).

After reviewing Newport's proposal, Portsmouth requested that Newport exclude from its monthly base charge any cost allocated to the services cost allocation category. Portsmouth made this request because costs incurred by Newport and allocated to the services category do not benefit Portsmouth. Portsmouth also requested that Newport exclude from its monthly base charge any costs assigned to the meters cost allocation category. Portsmouth made this request because costs incurred by Newport and allocated to the meters cost allocation category do not

benefit Portsmouth because Portsmouth owns, maintains and tests the meter that measures the amount of water Newport provides Portsmouth. Newport agreed with Portsmouth's position and agreed to amend its filing to reduce Portsmouth's base charge to \$2.86 per month (\$34.32 per year). Newport's agreement to reduce the base charge is contingent upon Portsmouth continuing to own, maintain and test the meter that measures the amount of water that Newport provides to Portsmouth. Portsmouth's agreement to do so is set forth in the Memorandum of Understanding. Further, as set forth in the Memorandum of Understanding, should Portsmouth discontinue its ownership, maintenance or testing of the meter that measures the water Newport provides to Portsmouth, Newport may seek to amend Portsmouth's monthly base charge accordingly.

Please note that the change in Portsmouth's monthly base charge does not affect any of the other base charges originally proposed in Newport Water's March 4, 2014 filing. As you will see from the enclosed proposed Schedule C and the marked-up Schedule C from Newport's Tariffs, the only change from Newport's original position is to reduce Portsmouth's monthly base charge.

Please note that an electronic copy of these documents has been provided to the service list. If you have any further questions, please do not hesitate to contact me.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf

Enclosures

cc: Service List (*via e-mail*)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION  
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4355

SCHEDULE C  
BASE CHARGE

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for industrial, commercial and residential users, exclusive of fire service connections.

Rates:

For each meter connected to the Newport Water Division's mains the following charges shall apply:

Monthly	
Meter Size	Rate (\$/month)
5/8"	4.89
3/4"	5.01
1"	6.07
1.5"	8.78
2"	11.35
3"	25.22
4"	28.90
5"	33.80
6"	37.48
8"	47.29
10"	65.07
Portsmouth Meter	\$2.86

Method of Payment:

All billing charges under this schedule are rendered in advance concurrent with the billing cycle, monthly or quarterly and are due and payable in full when rendered.

Effective: July 1, 2014

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION  
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4355

SCHEDULE C  
BASE CHARGE

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for industrial, commercial and residential users, exclusive of fire service connections.

Rates:

For each meter connected to the Newport Water Division's mains the following charges shall apply:

Monthly		Quarterly	
Meter Size	Rate (\$/month)	Meter Size	Rate (\$/quarter)
5/8"	<u>7.944.89</u>	5/8"	<u>11.47</u>
3/4"	<u>8.045.01</u>	3/4"	<u>11.79</u>
1"	<u>8.966.07</u>	1"	<u>14.54</u>
1.5"	<u>11.308.78</u>	1.5"	<u>21.55</u>
2"	<u>13.5311.35</u>	2"	<u>28.25</u>
3"	<u>25.6425.22</u>	3"	<u>64.57</u>
4"	<u>28.8728.90</u>	4"	<u>74.27</u>
5"	<u>33.1833.80</u>	5"	<u>87.20</u>
6"	<u>36.4137.48</u>	6"	<u>96.90</u>
8"	<u>45.0347.29</u>	8"	<u>122.76</u>
10"	<u>60.6665.07</u>	10"	<u>169.63</u>
Portsmouth Meter	<u>60.662.86</u>	Portsmouth Meter	<u>\$169.63</u>

Method of Payment:

All billing charges under this schedule are rendered in advance concurrent with the billing cycle, monthly or quarterly and are due and payable in full when rendered.

Effective: April 1, 2014 July 1, 2014

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**DOCKET NO. 4355**


**TARIFF ADVICE AND PETITION FOR RELIEF  
MEMORANDUM OF UNDERSTANDING**

NOW COMES the City of Newport, Utilities Department, Water Division ("Newport") and the Portsmouth Water And Fire District ("Portsmouth") and hereby enter into this Memorandum Of Understanding. In support thereof, the parties state as follows:

1. Newport's current tariffs were approved by the Commission in 2013 at the conclusion of Docket 4355.
2. Newport's tariffs allowed it to bill its customers monthly.
3. When Newport's tariffs were approved in Docket 4355, it only billed 816 of its approximate 14,546 customers on a monthly basis.
4. Thus, Newport's tariffs were designed to recover \$123,387 from monthly customers and \$654,969 from quarterly customers for a total of \$778,355.
5. Newport now plans to bill all its customers on a monthly basis.
6. If Newport collected the current monthly base charges in its tariffs from all 14,546 of its customers, it would collect \$1,456,356 in base charge revenue.
7. As a result, on March 4, 2014, Newport filed a Tariff Advice and Petition For Relief seeking to revise its tariffs and reduce its monthly base charge to collect the same amount of base charge revenue previously authorized by the Commission in Docket 4355.
8. As part of the filing, Newport proposed to issue a base charge to Portsmouth in the amount of \$65.07 per month (\$780.84/year).
9. After reviewing Newport's proposal, Portsmouth requested that Newport exclude from its monthly base charge any costs allocated to the Services cost allocation category.
10. Portsmouth made this request because costs incurred by Newport and allocated to the Services category do not benefit Portsmouth.

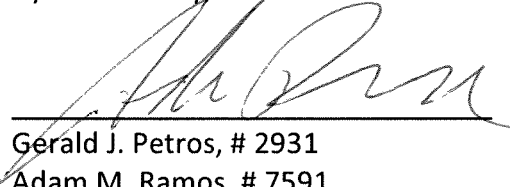
11. Portsmouth also requested that Newport exclude from its monthly base charge any costs assigned to the Meters cost allocation category.
12. Portsmouth made this request because costs incurred by Newport and allocated to the Meters cost allocation category do not benefit Portsmouth because Portsmouth owns, maintains and tests the meter that measures the amount of water Newport provides to Portsmouth.
13. Newport agrees with Portsmouth's position and will amend its filing to reduce Portsmouth's base charge to \$2.86 per month (\$34.32/year) upon execution of this Memorandum.
14. Newport shall continue to exclude meter costs assigned to Portsmouth as long as Portsmouth owns, maintains and tests the meter that measures the amount of water Newport provides to Portsmouth.
15. Portsmouth agrees that the meter shall be inspected at least quarterly and tested annually at Portsmouth's expense. A copy of the inspection and testing report shall be provided to Newport.
16. Should Portsmouth discontinue its ownership, maintenance or testing of the meter that measures the amount of water Newport provides to Portsmouth, Newport may seek to amend Portsmouth's monthly base charge accordingly.

CITY OF NEWPORT, UTILITIES DEPARTMENT,  
WATER DIVISION  
By its Attorney,

  
\_\_\_\_\_  
Joseph A. Keough, Jr. #4925  
KEOUGH & SWEENEY, LTD.  
41 Mendon Avenue  
Pawtucket, RI 02861  
Tel: (401)-724-3600

Date: 5/20/14

PORTSMOUTH WATER AND FIRE DISTRICT  
By its Attorney,

  
\_\_\_\_\_  
Gerald J. Petros, # 2931  
Adam M. Ramos, # 7591  
Hinckley, Allen & Snyder, LLP  
1500 Fleet Center  
Providence, RI 02903  
Tel: 401-274-2000

Date: 5/20/14