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Division of Public  
Utilities & Carriers

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Date: January 9, 2019

To: Luly Massaro  
Commission Clerk

From: Patricia Smith, *P.A.*  
Rate Analyst

Subject: Docket 4898, Narragansett Bay Commission's Tariff Advice Filing re:  
Consumption Billing Frequency

On November 8, 2018, the Narragansett Bay Commission ("NBC") submitted a Tariff Advice filing pursuant to Rule 1.9(c) of the Public Utilities Commission's Rule of Practice and Procedure. In its filing, NBC proposed to change the billing of consumption charges from monthly to the frequency of the meter reads provided by water suppliers. NBC included the existing tariffs, a "marked-up" version of existing tariffs showing the proposed changes, and a "clean" copy including the proposed changes. Clara Casimiro, Customer Service Manager, provided testimony to support the proposed Tariff change.

Under the current tariff, NBC bills both fixed fees and consumption fees monthly. Consumption charges are based on meter readings provided by seven different water supplies. NBC receives actual monthly meter reads for the majority of their customers, however the smaller water suppliers read residential accounts on a quarterly basis. For the customers that are read quarterly, NBC estimates their consumption for the months it doesn't have meter reads and then trues-up the billing when it receives the actual consumption. NBC states that the proposed change would impact approximately 13,700 residential customers.

According to the filing, NBC is implementing a new Customer Service software application and as part of their review process determined it would be more efficient to eliminate estimated consumption billing. NBC further stated that estimated bills require a true-up process when it receives actual consumption whereby each account must be

manually reviewed prior to issuing a revised bill and the volume of true-ups is not feasible with the new Customer Service software.

For customers that desire a levelized bill, the new customer service software application will allow NBC to establish a customer budget once a year's worth of consumption history is available. A budget plan would be based upon the prior year's billings. In the month prior to the end of the budget year, the Customer Service software application would make a comparison against the amounts paid by the customer between the actuals and the monthly budgeted bills to determine an over/under collection and use that information to credit/increase a customer's bill for the final billing in the budget year.

After a review of NBC's proposal and responses to data requests in this docket, the Division believes the proposal is reasonable especially considering customers' ability to set up budget billing. The Division recommends the Commission approve the proposed changes to NBC's Tariff as filed.

Cc: Service list via e-mail