

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

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

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

SEAN P. KEOUGH*

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

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

June 3, 2022

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

*Re: City of Newport, Utilities Department, Water Division
Docket 5254*

Dear Ms. Massaro:

Enclosed please find an original and nine copies of:

1. City of Newport, Utilities Division, Water Department's Response to the Rhode Island Division of Public Utilities And Carrier's Data Request (Set 1).

Please note that an electronic copy has been sent to the service list for this Docket. Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosure

cc: Docket 5254 Service List (*via electronic mail*)

DIV 1-1: In response to Comm 1-3, Newport Water stated in part “some of the electronic fees could, in theory, be related to the water pollution control portion of the bill”. Please provide Newport Water’s reasoning for not allocating any of the electronic payment fees to the water pollution control division.

Response: There are several reasons Newport did not propose to allocate any of the electronic payment fees to the water pollution control division (“WPC”):

- Newport is seeking recovery of the Electronic Payment Fees because the Commission specifically ordered Newport Water to absorb this cost as part of its orders in Docket 5022. Prior to that order, customers who caused the expense to be incurred paid the expense. Now, the entire customer base will absorb this cost. Newport agrees with this methodology as better collections actually benefits all customers, and the expense is relatively minor (approximately \$75,000/year).
- As set forth in our response to Comm. 1-1, Newport Water already charge the WPC for services based on the number of accounts. The shared cost items include the Water Division’s customer service O&M costs. The electronic payment fees will be included in the Water Division’s O&M costs, for which WPC will pay a share under the current methodology. With such a relatively minor expense (approximately \$75,000/year), there is no need to allocate this expense separately.
- Allocating this expense to separately from the method set forth in Newport’s response to Comm. 1-1 would be extremely time consuming. Newport would have to analyze each bill to determine the pro rata amount of each bill to assign to Water and WPC and then develop an overall pro rata percentage to assign to Water and WPC. With 1,200 transactions each month, this would be cost prohibitive especially considering the overall expense is approximately \$75,000/year.

Prepared by: Robert C. Schultz, Jr.

STATE OF RHODE ISLAND
PUBLIC UTILITIES DIVISION
DOCKET NO. 5254
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Division Of Public Utilities
And Carrier's
Data Requests - Set 1

DIV 1-2: According to the notice in this docket "Newport seeks to recover credit card and debit card fees that it paid". Please confirm that credit card and debit card fees are the only electronic payment fees Newport Water incurs.

Response: Newport confirms that credit card and debit card fees are the only electronic payment fees Newport Water incurs.

Prepared by: Robert C. Schultz, Jr.

DIV 1-3: Please provide the amount of the credit and debit card fees on a per transaction basis. For example, are the fees fixed, variable or a combination. Include the amount of the fixed fee and the basis for the variable fee.

Response: Credit/debit card fees are variable, not fixed. The fees are based on the fee percentage set by the financial institution for each card multiplied by the total amount being paid. The average credit/debit card per transaction fee for FY21 and FY22 is \$4.77:

Total transactions for FY2021 and FY2022 = 24,826

Total fees for FY2021 and FY2022 = \$118,387.07

$\$118,387.07 / 24,826 = \4.7686

Prepared by: Robert C. Schultz, Jr.

DIV 1-4: In response to Comm 1-3, Newport Water stated in part “So, some of the electronic fees could, in theory, be related to the water pollution control portion of the bill. In order to make that determination, the bills would have to be examined manually.” For the period July 2020 – April 2 2022, please provide Newport Water’s best estimate of the amount of electronic fees that were related to the water pollution control portion of the bill and provide the basis for the estimate.

Response: As set forth in the response to Div. 1-1, determining the amount of electronic fees related to the water pollution control portion of the bill would be extremely time consuming. Newport would have to analyze each bill to determine the pro rata amount of each bill to assign to Water and WPC and then develop an overall pro rata percentage to assign to Water and WPC. With 1,200 transactions each month, this would be cost prohibitive especially considering the overall expense is approximately \$75,000/year.

Prepared by: Robert C. Schultz, Jr.

CERTIFICATION

I hereby certify that on June 3, 2022, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone
Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	jkeoughjr@keoughsweeney.com ;	401-724-3600
Robert C. Schultz, Jr. Director of Utilities Newport Water Department 70 Halsey St. Newport, RI 02840 Harold Smith, Consultant Raftelis Financial Consulting, PA	rschultz@CityofNewport.com ; lsitrin@CityofNewport.com ; dbarrett@CityofNewport.com ; Hsmith@raftelis.com	401-845-5600
Tiffany Parenteau, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	TParenteau@riag.ri.gov ; Margaret.L.Hogan@dpuc.ri.gov ; pat.smith@dpuc.ri.gov ; John.bell@dpuc.ri.gov ; Michelle.Barbosa@dpuc.ri.gov ; Machaela.Seaton@dpuc.ri.gov ; gschultz@riag.ri.gov ; eullucci@riag.ri.gov ;	401-222-2424
Portsmouth Water & Fire District (PWFD) Adam M. Ramos, Esq. Christine E. Dieter, Esq. Hinckley, Allen & Snyder 100 Westminster St., Suite 1500 Providence, RI 02903	aramos@haslaw.com ; cdieter@hinckleyallen.com ; cwhaley@hinckleyallen.com ; pstroke@hinckleyallen.com ;	

STATE OF RHODE ISLAND
PUBLIC UTILITIES DIVISION
DOCKET NO. 5254
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Division Of Public Utilities
And Carrier's
Data Requests - Set 1

Jessica C. Lynch, PWFD David Bebyn	jlynch@portsmouthwater.org ; dbebyn@gmail.com ;	
File an original and six (6) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	John.harrington@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	



Joseph A. Keough, Jr., Esquire # 4925
KEOUGH & SWEENEY, LTD.
41 Mendon Avenue
Pawtucket, RI 02861
(401) 724-3600 (phone)
(401) 724-9909 (fax)
ikeoughjr@keoughsweeney.com