

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**VEOLIA WATER RHODE ISLAND (f/k/a SUEZ WATER RHODE ISLAND)  
DOCKET NO. 4800**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE  
RECORD REQUESTS FROM MAY 18, 2022 TECHNICAL SESSION**

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2022-01  
(Prettyman)

2022-01      What was the return on equity at December 31, 2021?

Response:      The return on equity for 12 months ended December 31, 2021 was 8.14% compared to the as allowed of 9.40%. Please see 2022-01 Attachment.

**SUEZ Water Rhode Island  
Income Statement  
Earnings Calculation**

Line No.	Description	Actual 12 Months Ending 12/31/2021 (1)	Ratemaking Adjustments (2)	Adjusted 12 Months Ending 12/31/2021 (3)
1	Operating Revenues	\$ 5,784,116		\$ 5,784,116
	Operating Expenses			
2	Operation and Maintenance Expenses	2,505,434	16,669	2,522,103 [1]
3	Depreciation and Amortization	864,623	26,768	891,391 [2]
4	Taxes Other Than Income	507,522		507,522
5	Operating Expenses Before Income Taxes	3,877,579		3,921,016
6	Pre-tax utility operating income	1,906,536		1,863,100
7	Federal Income Taxes (from tax calc tab)	274,440	8,722	283,162 [3]
8	Utility Operating Income	\$ 1,632,097		\$ 1,579,938
9	Rate Base	\$ 24,278,674		\$ 24,278,674
10	Return on Rate Base	6.72%		6.51%
11	Allowed Return on Rate Base	7.20%		7.20%
12	Earnings Adjustment	0.15%		0.15%
13	Earnings Base Rate of Return	7.35%		7.35%

## Notes:

[1]	O&M Expenses SUEZ M&S shared assets - return, interest taxes not booked See Shared asset file	\$ 16,669
[2]	Depreciation Expense Annualized Dec-21 Expense	\$ 74,283 X12 \$ 891,391
[3]	FIT Calculation	
	Pre-tax utility operating income	\$ 1,863,100
	Rate Base	\$ 24,278,674
	Interest	2.12% (514,708)
	Taxable income	1,348,392
	Federal income tax	21.00% \$ 283,162
[4]	ROE	
	Rate Base	\$ 24,278,674
	Equity	53.91%
	Equity on Rate Base	\$ 13,088,633
	Utility Operating Income	\$ 1,579,938
	Less Interest Expense	(514,708)
	Utility Operating Income Net	\$ 1,065,230
	ROE (Utility Operating Income Net / Equity on Rate Base)	8.14%
	Allowed Return on Equity	9.40%

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2022-02  
(Jacobs)

2022-02 Please provide a copy of the Risk and Resilience Plan referenced by Mr. Jacobs.

Response: I misidentified the Risk and Resilience Plan during the Technical Session as the distribution system assessment. The correct assessment is a Risk-based Asset Management Analysis: a risk-based assessment of all pipe segments was performed 2020 to prioritize replacement of mains using Likelihood of Failure (LOF) and Consequence of Failure (COF) assessments. This approach provides a structured approach to analyzing the network replacement needs but also leaves room to accommodate local knowledge and priorities. You can find the summary of this assessment in the *Clean Water Infrastructure Plan section 6. System Component Evaluation: Belowground Infrastructure* previously provided to the Commission.

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2022-03  
(Jacobs)

2022-03 Please confirm that the number of ruptures in asbestos pipes over the last five years was 71. Please provide the dates and locations of the ruptures. Please provide the cost associated with each break or, if that is not available, the average cost of the break; average cost of replacement for mile; and the annual cost.

Response: After further research, there were 83 Breaks on AC mains since 1/1/2017. Please see attached for the list of ruptures including dates and locations.

	Average \$/mile	Average \$/ft	Annual Average
Replacement	\$2,159,520.00	\$409.00	\$2,176,435.00*
Repair	\$2,349,600.00	\$445.00	\$96,031.00**

Note: the above is a very generalized cost estimate and is likely to change based upon the complexity (or simplicity) of the projects and any changes in the levels of service (NRW and failure rate).

\*Estimate based off the four projects from 2019 to 2021.

\*\*Estimate based off the average of 23 invoices from 2021 to 2022 and average of 13ft of main repair per break with an average of 16.6 AC breaks/year.

**Veolia Water Rhode Island  
Main Breaks 1/1/2017-6/30/2022**

**2022-03 Attachment  
Page 1**

1. 1/26/2017 Walnut Street 6"AC
2. 1/29/2017 Walnut Street 6"AC
3. 1/30/2017 Walnut Street 6"AC
4. 3/18/2017 Sakonnet Blvd 10"AC
5. 4/21/2017 Fayerweather Dr. 6"AC
6. 6/02/2017 Faiway Ct. 10"AC
7. 6/15/2017 Jean Street 6"AC
8. 7/13/2017 Fiore Dr 6"AC
9. 9/10/2017 Strathmore Rd 12"AC
10. 9/14/2017 Anchorage Rd 8"AC
11. 9/17/2017 Boston Neck Road 12"AC
12. 11/3/2017 Alan Ave 6"AC
13. 11/23/2017 Ocean Rd 10"AC
14. 1/3/2018 Ocean Rd 10"AC
15. 2/23/2018 Highland Ave 6"AC
16. 2/26/2018 What Cheer Rd 6"AC
17. 3/16/2018 Bonnet Shores Rd 4"AC
18. 5/6/2018 North Rd 8"AC
19. 5/19/2018 Winchester Dr 6"AC
20. 6/19/2018 Dunes Rd 8"AC
21. 6/23/2018 Spring St 6"AC
22. 7/30/2018 Bonnet Pt Rd 8"AC
23. 8/31/2018 Holley St 6"AC
24. 9/7/2018 Bonnet Pt Rd 8"AC
25. 9/3/2018 Spring St 6"AC
26. 9/17/2018 Col John Gardiner Rd 6"AC
27. 10/17/2018 What Cheer Rd 6"AC
28. 10/23/2018 River St 6"AC
29. 11/3/2018 Walcott Ave 6"AC
30. 11/19/2018 Maywood Rd 6"AC
31. 2/5/2019 South Pier Rd 6"AC
32. 3/27/2019 Wanda St 12"AC
33. 5/8/2019 Osceola Ave 6"AC
34. 5/22/2019 Ocean Rd 10"AC
35. 3/27/2019 Wanda St 12"AC
36. 5/18/2019 Osceola Ave 6"AC
37. 5/22/2019 Ocean Rd 10"AC
38. 8/7/2019 Salt Pond Rd 6"AC
39. 9/30/2019 Boston Neck Rd 12"AC
40. 10/3/2019 Bonnet Shores Rd 6"AC
41. 10/7/2019 Bonnet Shores Rd 6"AC

**Veolia Water Rhode Island  
Main Breaks 1/1/2017-6/30/2022**

**2022-03 Attachment  
Page 2**

42. 10/22/2019 Winchester Dr 6"AC
43. 11/1/2019 Boston Neck Rd 8"AC
44. 11/22/2019 Highland Ave 6"AC
45. 12/23/2019 Strathmore Rd 12"AC
46. 12/28/2019 Strathmore Rd 12"AC
47. 12/28/2019 MacArthur Blvd 6"AC
48. 1/13/2020 What Cheer Rd 6"AC
49. 2/18/2020 What Cheer Rd 6"AC
50. 3/2/2020 Burnside Ave 8"AC
51. 3/16/2020 Ocean Rd 10"AC
52. 3/21/2020 Bonnet Pt Rd 8"AC
53. 3/27/2019 Wanda St 12"AC
54. 8/5/2019 Salt Pond Rd 6"AC
55. 8/24/2020 Oak St 6"AC
56. 8/25/2020 Burnside Ave 12"AC
57. 8/27/2020 Wanda St 12"AC
58. 9/21/2020 Walcott Ave 6"AC
59. 11/9/2020 Wanda st 12"AC
60. 12/26/2020 Fiore Dr 8"AC
61. 1/4/2021 Cliff Dr 8"AC
62. 1/16/2021 Algonquin Rd 6"AC
63. 1/25/2021 Boston Neck Rd 12"AC
64. 2/7/2021 Main St 12"AC
65. 2/19/2021 Alan Ave 6"AC
66. 2/20/2021 Ocean Road 10"AC
67. 3/5/2021 Boston Neck Rd 12"AC
68. 5/20/2021 Treasure Rd 6"AC
69. 6/17/2021 Holley St 6"AC
70. 7/7/2021 Bonnet Point Rd 8"AC
71. 8/26/2021 Canopus Rd 4"AC
72. 10/12/2021 Boston Neck Rd 12"AC
73. 10/13/2021 Raymond Dr 8"AC
74. 9/27/2021 What Cheer Rd 6"AC
75. 11/24/2021 N Cliff Dr 6"AC
76. 12/3/2021 What Cheer Rd 6"AC
77. 12/20/2021 Walcott Ave 6"AC
78. 12/25/2021 Walcott Ave 6"AC
79. 12/26/2021 Middle Rd 6"AC
80. 12/28/2021 Alan Ave 6"AC
81. 2/1/2022 Wanda St 12"AC
82. 3/11/2022 Highland Ave 6"AC
83. 6/8/2022 Ocean Rd 10"AC

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2022-04  
(Jacobs)

2022-04 Please provide a comparison of the time to replace a ruptured section of main and the length of time a ratepayer is out of service compared to planned main replacement.

Response: Estimated time without water for affected customers is 2-4 hours during a main break and 6-8 during scheduled main replacements. (Typically, multiple services are turned over during the same day so each service is not usually completed before moving on to the next corporation tap etc...)

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2022-05  
(Jacobs)

2022-05 Using available data, how does Veolia Water Rhode Island compare to other water utilities with respect to main breaks and leaks that require repair?

Response: The Company does not have this data.



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2022-06  
(Jacobs)

2022-06 Please confirm that the Rhode Island Department of Health is in agreement with Veolia's understanding of the requirements to file IFR Plan only when there are changes from the Water Supply Management Plan even if more than a five-year period passes.

Response: The next CWIRP is due September 2025. See 2022-06 Attachment for the letter from Rhode Island Department of Health Center for Drinking Water Quality.



**Department of Health**  
Center for Drinking Water Quality  
Room 209, 3 Capitol Hill  
Providence RI 02908-5097  
[www.health.ri.gov](http://www.health.ri.gov)  
Phone: (401) 222-6867  
Fax: (401) 222-6953 TTY: 711

April 20, 2021

**CERTIFIED MAIL**

PWS# RI1615624  
Christopher Jacobs  
Suez Water  
10 High Street, Suite K  
Wakefield, RI 02880

7020 2450 0000 9711 1878

**RE: Suez Water Clean Water Infrastructure Replacement Plan**

Dear Mr. Jacobs:

RIDOH has received comments from the Public Utilities Commission (PUC) on the Clean Water Infrastructure Replacement Plan which the PWS has addressed. The plan is satisfactory, and the Clean Water Infrastructure Replacement Plan is hereby approved.

Your next CWIRP will be due in September of 2025.

Thank you,

A handwritten signature in cursive script that reads "Carlene B. Newman".

Carlene B. Newman  
Environmental Engineer III

CC: Paula McEvoy, Director of Engineering, New York Division