



PROVIDENCE WATER

Tap Water Delivers

July 11, 2022

The Hon. Jorge O. Elorza
Mayor
Ricky Caruolo
General Manager

Mrs. Luly Massaro
Commission Clerk
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Dk 22-09-WW; Public Utilities Commission; Set 1

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Dear Mrs. Massaro:

Attached please find an original and nine copies of Providence Water's responses to the first set of data requests from the Commission.

If you have any questions, I can be reached extension 7238.

Sincerely,

Nancy E. Parrillo
Senior Manager - Finance

cc: service list(via email)

MEMBER

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(401) 521-6300

125 Dupont Drive
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**Data Requests of the
Public Utilities Commission Set 1
July 1, 2022**

COMM 1-1. Is Providence Water's proposal to withdraw from the restricted Stabilization Account in the Debt Service Fund the amounts incurred prior to the Commission's order in this matter designed to avoid raising rates for the recovery of that portion of the Electronic Payment Transaction Fees?

RESPONSE :

Providence Water does not have a Restricted Stabilization account. Providence Water is proposing to withdraw from its Restricted Revenue Reserve Fund the amounts that were incurred prior to the Commission's order. Yes, in this matter, the intention is to avoid raising rates for the recovery of that portion of the Electronic Transaction Fees.

Providence Water Docket 22-09-WW

**Data Requests of the
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COMM 1-2. Please update Schedule HJS-1 and Schedule HJS-2 with actuals from May and June.

RESPONSE:

Please find updated Schedules HJS-1 and HJS-2, which include May and June attached. Note that this attachment is the original calculation, with the additional months and does not reflect the removal of the outliers per COMM 1-4.

Schedule HJS-1: Calculation of Transfer and Monthly Growth Rate (COMM 1-2)

Providence Water Supply Board

Miscellaneous Petition

Month	Electronic Payment Fees	% Change over Prior Month	Compounded Average Growth Rate
Jun-20	\$ 22,810.55		
Jul-20	\$ 24,034.20	5.36%	5.36%
Aug-20	\$ 25,259.40	5.10%	5.23%
Sep-20	\$ 27,384.45	8.41%	6.28%
Oct-20	\$ 27,845.30	1.68%	5.11%
Nov-20	\$ 27,189.30	-2.36%	3.57%
Dec-20	\$ 30,766.60	13.16%	5.11%
Jan-21	\$ 35,019.10	13.82%	6.32%
Feb-21	\$ 31,207.45	-10.88%	4.00%
Mar-21	\$ 39,405.35	26.27%	6.26%
Apr-21	\$ 36,035.10	-8.55%	4.68%
May-21	\$ 36,548.40	1.42%	4.38%
Jun-21	\$ 36,234.40	-0.86%	3.93%
Jul-21	\$ 34,141.30	-5.78%	3.15%
Aug-21	\$ 41,196.85	20.67%	4.31%
Sep-21	\$ 39,757.60	-3.49%	3.77%
Oct-21	\$ 42,722.95	7.46%	4.00%
Nov-21	\$ 43,006.15	0.66%	3.80%
Dec-21	\$ 44,117.60	2.58%	3.73%
Jan-22	\$ 47,342.85	7.31%	3.92%
Feb-22	\$ 45,021.85	-4.90%	3.46%
Mar-22	\$ 50,574.05	12.33%	3.86%
Apr-22	\$ 48,944.45	-3.22%	3.53%
May-22	\$ 48,804.95	-0.29%	3.36%
Jun-22	\$ 50,906.05	4.31%	3.40%
Total Through June	\$ 936,276.25		

Schedule HJS-2: Surcharge Calculation (COMM 1-2)
 Providence Water Supply Board
 Miscellaneous Petition

Month	Electronic Payment Fees	% Change over Prior Month
Jun-22	\$ 50,906	
Jul-22	\$ 52,638	3.40%
Aug-22	54,428	3.40%
Sep-22	56,279	3.40%
Oct-22	58,194	3.40%
Nov-22	60,173	3.40%
Dec-22	62,220	3.40%
Jan-23	64,336	3.40%
Feb-23	66,524	3.40%
Mar-23	68,787	3.40%
Apr-23	71,127	3.40%
May-23	73,546	3.40%
Jun-23	76,048	3.40%
Total Annual	\$ 764,299	
Bills⁽¹⁾	960,780	
Cost per Bill	\$ 0.80	

(1) Retail, Private Fire and Lead Service Line Loan Bills

Providence Water Docket 22-09-WW

**Data Requests of the
Public Utilities Commission Set 1
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COMM 1-3. Referencing Schedule HJS-1, there appear to be large fluctuations in the percent change in February 2021, March 2021, and August 2022. To what does Providence Water attribute those fluctuations (for example, were there delays in reading meters the prior month or was there a lifting of any collections protections by the utility, etc.)?

RESPONSE :

Providence Water could not correlate the fluctuations in the percentage change in February 2021, March 2021, and August 2021 to any identifiable action taken by Providence Water. There was no change in meter reading, or any change in the collections process or billing during those months that would cause those swings.

**Data Requests of the
Public Utilities Commission Set 1
July 1,2022**

COMM 1-4. Please recalculate Schedule HJS-1 and HJS-2 removing, from the percent change column on HJS-1, the two highest positive outliers and the two highest negative outliers.

RESPONSE:

Please find updated Schedules HJS-1 and HJS-2, which remove the top and bottom two outliers from the percent change column attached. Please note however, that the growth rate (3.40%) used in HJS-2 is the compounded average growth rate (CAGR) in the monthly cost from the beginning to the end of the period shown in HJS-1 (June 2021 to June 2022). Accordingly, it is not impacted by the removal of the outliers and Schedule HJS-2 is unchanged from Providence Water's response to COMM 1-2.

Schedule HJS-1: Calculation of Transfer and Monthly Growth Rate (COMM 1-4)
 Providence Water Supply Board
 Miscellaneous Petition

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COMM 1-5. Providence Water proposes to reconcile the actual over- or under-recovery of electronic transaction fees through a deposit to or withdrawal from the Restricted Reserve Account. Please indicate whether these costs can be tracked separately and deposited or withdrawn without any need for a “due to” or “due from” designation.

RESPONSE :

These costs can and will be tracked separately, and they can be deposited or withdrawn without any need for a “due to” or “due from” designation.

**Data Requests of the
Public Utilities Commission Set 1
July 1, 2022**

COMM 1-6. Will the withdrawal from the Restricted Reserve Account have any adverse impact on Providence Water's required debt service ratios or other borrowing requirements? Please explain.

RESPONSE :

No, Any withdrawals from the Restricted Revenue Reserve Fund will not have any adverse impact on Providence Water's required debt service ratios or other borrowing requirements because the cash that will be withdrawn from the Restricted Fund will be transferred to the Operating account and therefore the overall cash balance for Providence Water on which the debt service coverage is calculated will not change.

A recent calculation of Providence Water's debt service coverage ratio, performed by our financial advisor Hilltop Securities, has our debt service coverage at 3.28 times at the end of FY2021. Our required debt service coverage is 1.25 times.

**Docket No. 22-09-WW - Providence Water Supply Board – General Rate Filing
Service List updated 07/06/2022**

Parties	E-mail	Phone
Providence Water Supply Board (PWSB) Leah Donaldson, Esq. McElroy & Donaldson 3 Cedar Meadows Drive Smithfield, RI 02917	Michael@McElroyLawOffice.com;	401-351-4100
	Leah@McElroyLawOffice.com;	
Ricky Caruolo, General Mgr. Providence Water Supply Board 552 Academy Avenue Providence, RI 02908	RickyC@provwater.com;	401-521-6300
	Greggg@provwater.com;	
	IduwoK@provwater.com.;	
	NancyP@provwater.com;	
	Davidti@provwater.com;	
	STEVEC@provwater.com;	
ALICIAM@provwater.com;		
Harold Smith Raftelis Financial Consulting, PA 1031 S. Caldwell Street, Suite 100 Charlotte, NC 28203	Hsmith@raftelis.com;	704-373-1199
	cdrat@raftelis.com;	
Division of Public Utilities (Division) Leo Wold, Esq. Division of Public Utilities and Carriers John Bell, Chief Accountant	Leo.wold@dpuc.ri.gov ;	401-780-2177
	john.bell@dpuc.ri.gov;	
	Pat.smith@dpuc.ri.gov;	
	Margaret.L.Hogan@dpuc.ri.gov;	
	Robert.Bailey@dpuc.ri.gov;	
eullucci@riag.ri.gov;		
File original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov;	401-780-2107
	Todd.bianco@puc.ri.gov;	
	Cynthia.wilsonfrias@puc.ri.gov;	
	Alan.nault@puc.ri.gov;	
	Emma.Rodvien@puc.ri.gov;	
Kathleen Crawley Water Resources Board	Kathleen.Crawley@doa.ri.gov;	401-222-6696
Nancy Lavin	Lavin@pbn.com;	