



STATE OF RHODE ISLAND
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Peter F. Neronha
Attorney General

March 22, 2024

Via electronic mail

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

**RE: Pawtucket Water Supply Board – Application to Change Rate Schedules
23-30-WW**

Dear Ms. Massaro:

Attached please find the Division's Responses to the Pawtucket Water Supply Board's Second Set of Data Requests, for filing in the above-entitled docket.

Thank you for your attention to this matter.

Very truly yours,

/s/ Gregory S. Schultz

Gregory S. Schultz
Special Assistant Attorney General
On behalf of the Division of Public Utilities and Carriers

Enclosure

PAWTUCKET WATER SUPPLY BOARD
Docket 23-30-WW
The Pawtucket Water Supply Board's Second Set of Data Requests
Directed to the Division of Public Utilities and Carriers
Issued March 15, 2024

PWSB 2-1. Please provide Mr. Morgan's schedules and workpapers in Excel format with formulae intact.

Response: The requested Excel files and workpapers were previously provided directly to PWSB via email.

Prepared by Lafayette Morgan

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- PWSB 2-2. Referencing the direct testimony of Lafayette Morgan, page 8, Mr. Morgan indicates that he adjusted labor expenses to remove currently unfilled positions, and that the adjustment totals \$265,365:
- a. Please explain how the \$265,365 adjustment was calculated and include all positions on which this adjustment was based.
 - b. Please provide all supporting workpapers (in Excel format with the formulae intact) showing the derivation of the adjustment.

Response:

- a. In PWSB's annualized payroll, there were twelve positions that were unfilled. Six positions had no dollar values associated with them (considered to be unfunded positions), and six positions had associated dollar values (considered to be funded positions). The spreadsheet that calculated the annualized labor costs was recalculated by removing the dollar values associated with the six funded positions. The resulting payroll and payroll taxes were then compared to PWSB's cost of service claim for labor costs.
- b. The supporting Excel files and workpapers were previously provided directly to PWSB via email.

Prepared by Lafayette Morgan

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- PWSB 2-3. Referencing the direct testimony of Lafayette Morgan, page 14, Mr. Morgan indicates that he adjusted electricity expenses by \$266,846:
- a. Please explain how the \$266,846 adjustment was calculated.
 - b. Please explain how Mr. Morgan calculated the increase in rates for delivery services.
 - c. Please provide all supporting workpapers (in Excel format with the formulae intact) showing the derivation of the adjustment in subsection a. and the derivation of the increase in subsection b.

Response:

- a. In the cost of service, PWSB increased electricity expenses (both delivery and power supply) by a factor of 1.335 or 33.5%. In Div. 2-12, PWSB calculates the 33.5% increase based upon the change in the cost per kw hour of \$0.1208/kwh during the test year to \$0.16125/kwh based on only the supply contract from 2023 through 2025. In Div. 6-10, PWSB shows the actual calculation which is inclusive of the Gross Earnings Tax.

While PWSB applies the 33.5% increase to all purchased power cost, the increase in costs is only applicable to the power supply portion of its costs. Moreover, for the 22 accounts, the new power supply rates were already reflected in the test year costs. Some accounts included the increase for 11 months and others for 10 months. Therefore, the 33.5% increase applies to either 1 or 2 months. The percent increase of 3.994% was determined by the change in the total electric expense after reflecting the 33.5% increase to the applicable months. When the 3.994% is applied to each electric expense account, the resulting increase is \$ \$266,846 as shown on Schedule LKM-10.

- b. Mr. Morgan did not reflect an increase in rates for delivery services because PWSB did not claim an increase in electric expense based upon a specific increase in the electric delivery service.
- c. The supporting Excel files and workpapers were previously provided directly to PWSB via email.

Prepared by Lafayette Morgan

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- PWSB 2-4. Referencing the direct testimony of Lafayette Morgan, page 15, Mr. Morgan indicates that he adjusted heating expenses by \$13,049:
- a. Please explain how the \$13,049 adjustment was calculated.
 - b. Please explain how Mr. Morgan calculated the 1.81% increase in total heating expense.
 - c. Please provide all supporting workpapers (in Excel format with the formulae intact) showing the derivation of the adjustment in subsection a. and the derivation of the increase in subsection b.

Response:

- a. Please refer to Mr. Morgan's direct testimony beginning at page 14, line 18.
- b. Please refer to Mr. Morgan's direct testimony beginning at page 14, line 18.
- c. The supporting Excel files and workpapers were previously provided directly to PWSB by email.

Prepared by Lafayette Morgan

PAWTUCKET WATER SUPPLY BOARD

Docket 23-30-WW

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PWSB 2-5. Referencing the direct testimony of Jerome Mierzwa, page 10 Table 1, please provide all supporting workpapers (in Excel format with the formulae intact) showing the derivation of the presented Public Fire Protection Charges.

Response: The supporting Excel files and workpapers were previously provided directly to PWSB via email.

Prepared by Jerry Mierzwa