



STATE OF RHODE ISLAND  
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*Peter F. Neronha*  
*Attorney General*

March 15, 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 First 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

**Docket 23-30-WW**  
**PAWTUCKET WATER SUPPLY BOARD**  
**Division of Public Utilities and Carriers' Responses to**  
**Pawtucket Water Supply Board's First Set of Data Requests**  
**Issued March 11, 2024**

PWSB 1-1: Referencing the direct testimony of Lafayette Morgan, page 11, please fully explain the basis for Mr. Morgan's opinion that the nature of the expenses he removed from the expense escalation differ from the typical commodities that fluctuate with inflation.

Response: The expenses identified on page 11 of Mr. Morgan's testimony were:

- Utilities – Telephone;
- Internet;
- Utilities - Cellular service;
- Workers Compensation Insurance;
- Trustee Fees;
- Credit Card Convenience Fees; and
- Police Details

Telephone, internet, and Cellular services are fixed by service contract/agreement terms and tariff provisions. The prices for those services generally are not as volatile as goods and services that frequently fluctuate with inflation. Moreover, the chart below shows that there is not a linear relationship with these costs and inflation. Chart PWSB 1-1 (below) shows a declining trend on most of these services.

Workers Compensation Insurance costs are not inflation driven. This cost changes based on actuarial factors. As stated in the response to Div. 2-15, workers' compensation decreased " *due to a lower modification rate, which is a metric that worker's compensation rate organizations use to adjust the insurance premiums of a business based on its claims history and loss experience.*"

Credit Card Convenience Fees are not driven by inflation. The convenience fees are driven by customers' usage. Depending on the arrangements, these fees may be driven by the number of uses and a percentage of the bill amount.

Trustee Fees show no linear relationship with inflation. The changes in these fees are activity driven rather than inflation. For the fiscal years 2020, 2021 and 2022, these fees were \$18,700, \$19,250 and \$18,550, respectively.

The changes in Police Details costs are activity driven rather than inflation. Police detail costs are generally incurred when required to assist with traffic control, etc. during construction activity. For the fiscal years 2020, 2021 and 2022, these fees were \$53,597, \$59,276 and \$44,876, respectively.

Prepared by Lafayette Morgan

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<b>Chart PWSB 1-1</b>					
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY2020-2021</u> <u>Change</u>	<u>FY2021-2022</u> <u>Change</u>
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>					
Utilities - Telephone	\$ 6,174	\$ 6,037	\$ 6,259	\$ (137)	\$ 222
Internet	7,802	8,820	8,500	1,018	(320)
Utilities - DSL service	204	-	-	(204)	-
Utilities - Cellular service	2,898	2,966	3,966	68	1,000
Utilities - Web hosting	301	275	225	(25)	(50)
<b><u>CUSTOMER SERVICE</u></b>					
Utilities - Telephone	1,283	1,085	989	(198)	(96)
Utilities - Cellular service	536	500	456	(36)	(44)
<b><u>SOURCE OF SUPPLY</u></b>					
Utilities - Telephone	664	536	488	(128)	(48)
Internet	1,771	2,082	2,153	312	70
Utilities - DSL Line Charges	-	-	-	-	-
Utilities - Cellular phones	1,159	1,223	1,312	64	89
<b><u>TRANSMISSION &amp; DISTRIBUTION</u></b>					
Telephone	3,012	3,115	2,887	103	(228)
Internet	575	540	540	(35)	-
DSL Line Charges	-	-	-	-	-
Cellular Phones	5,730	5,621	5,018	(110)	(603)
<b><u>ENGINEERING</u></b>					
Utilities - Telephone	1,358	1,193	1,088	(164)	(105)
Utilities - Cellular service	3,338	3,478	2,972	140	(507)
<b><u>METERING</u></b>					
Telephone	844	740	675	(104)	(65)
Cellular Phones	3,582	3,666	2,785	85	(882)

**Summary**

Utilities - Telephone	\$ 13,335	\$ 12,707	\$ 12,386	(629)	(320)
Internet	10,147	11,442	11,193	1,295	(249)
Utilities - DSL service	204	-	-	(204)	-
Utilities - Cellular service	17,243	17,454	16,508	212	(946)
Utilities - Web hosting	301	275	225	(25)	(50)

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PWSB 1-2: Referencing the direct testimony of Lafayette Morgan, page 18, please fully set forth all facts that Mr. Morgan relied on in formulating his finding that the "10% rate that was used by the Deputy Finance Director" was reasonable.

Response: Please see the excerpt from the PWSB's response to Div. 9-3 below.

Prepared by Lafayette Morgan

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION  
DOCKET NO. 22-30-WW  
Response Of The Pawtucket Water Supply Board  
To The Rhode Island Division of  
Public Utilities and Carriers'  
Data Requests  
Set 9

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PWSB invoices (91) as compared to the total number of invoices (616) results in a 15% allocation.

Deputy Finance Director (no previous allocation, revised allocation 10%) – this allocation is based on the Deputy Finance Director's estimation that she spends approximately 10% of her overall time on PWSB tasks. Some individual tasks for the PWSB take up more of percentage of her time, such as:

- Posting all wires paid without a check (approximately 5 out of 20 wire batches, or 25%)
- Posting cash for all checks, sorting and mailing (approximately 91 invoices out of 616, or 15%)
- Setting up the budget and posting budget items (approximately 1 out of 5, or 20%)

However, the overall estimate of the total percentage of time spent on PWSB items is 10%.

The PWSB does not seek to increase this allocation. Rather, as set forth in the response to Div. 9-1, the PWSB suggests that the overall request of \$354,494 for Municipal Charges – Admin Support as set forth in DF Sch. 1.0 remain the same.

**Prepared by:** James DeCelles, based on information provided by Jeannine Bourski, City of Pawtucket, Deputy Finance Director