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July 24, 2024

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

RE: City of Newport, Utilities Department, Water Division – Docket 24-30-WW

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the following:

1. The City of Newport, Utilities Department, Water Division's response to the Rhode Island Division of Public Utilities and Carriers' Data Requests (Set 1, Responses 1-1-4 and 1- 6-7).

By agreement with the Division, Newport Water will provide the response to 1-5 under separate cover.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosures

cc: Service List (via email)

DIV 1-1: Reference HJS Schedule B-1, page 27 of 84:

- a. Please identify the extent to which treatment plant salaries and wages would increase on a maximum day to an amount higher than that experienced on an average day; and
- b. Please explain how natural gas is used at Station One and Lawton Valley, and identify the extent to which natural gas usage would increase on a maximum day to an amount higher than that experienced on an average day.

Response: a. Treatment plant salaries and wages for individual employees remain static during the year (absent a pay or step increase) and would not be higher on a maximum day than on an average day. Under the Base/Extra capacity cost allocation approach, a portion of *all* treatment related costs are allocated to Max Day, not just costs that increase on the Max Day.

b. Natural gas is only used for heating and hot water production at both of Newport's treatment plants and usage would likely not increase on a maximum day to an amount higher than experienced on an average day. As mentioned in the response to Division 1-1 a., a portion of *all* treatment related costs are allocated to Max Day, not just costs that increase on the Max Day.

Prepared by: Harold Smith

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 24-30-WW
Response Of The City Of Newport,
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Data Requests
Set 1

DIV. 1-2: Please identify the amount of uncollectible expense reflected in Newport's cost of service study and the line item(s) in which the expense is included.

Response: There is no "uncollectible expense" reflected in Newport's cost of service study.

Prepared by: Harold Smith

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DIV. 1-3: Please provide monthly sales for each customer class for most recent three-year period available in Excel format.

Response: The Excel spreadsheet has been provided to the service list in response to this request.

Prepared by: Robert Schultz

DIV. 1-4: Reference HJS Schedule D-6, page 55 of 84. Please explain how the residential and non-residential weekly usage adjustment factors were determined. Include all supporting workpapers, documentation, and calculations in Excel format.

Response: The weekly adjustment factors used in the cost of service analysis in this Docket are the same as the weekly adjustment factors in the Newport COS Model agreed to by the parties and approved by the Commission in Dockets 4128, 4355, 4595 and 4933 . When preparing the cost of service study supporting Newport's filing in those dockets, the daily data gathered for the Daily Demand Study that Newport performed in 2010 and 2011 was analyzed to determine the daily variation in demand for the Residential and Non-Residential classes. Analysis of this data actually indicated that there was very little day-to-day variability in demand for the Residential class and only slight variation for the Non-Residential class. This lack of variability would argue for making no adjustment (Weekly Adjustment Factor = 1.0) to account for daily variability. However, recognizing that the data for the daily demand study was collected during the peak tourist season in Newport, a period when rental houses are occupied seven days a week, and businesses are likely to be open more days of the week than they would be during the off-season, it was determined that an adjustment factor of 1.0 would likely understate the portion of the daily peaks attributable to daily variation. Therefore, we used an approach used in the M-1 Manual and determined the Non-Residential adjustment factor based on the assumption that the Non-Residential customer would only use water six days a week and the adjustment factor was determined by dividing 7 by 6 to arrive at 1.17. The Residential adjustment factor was set slightly higher than the Non-Residential adjustment factor based on the assumption that daily variability for the Residential class would be greater than the Non-Residential class, especially during the off-season when fewer tourists are visiting Newport.

Prepared by: Harold Smith

DIV-1-6: Reference the Direct Testimony of Harold J. Smith, page 17, lines 3-5.

- a. Please identify the basis for selecting this fire flow demand;
- b. What is the population of Newport Water's retail service territory; and;
- c. What are the fire flow requirements of Newport Water's service territory based on the National Board of Fire Underwriter's recommendations/requirements?

Response:

- a. The fire flow demand used in the COSS is the same fire flow demand used in the COSSs prepared for Dockets 4128, 4355, 4595 and 4933. During Docket 4933. The basis for the selection of this fire flow demand was Insurance Service Office (ISO) hydrant test results indicating that the maximum flow at hydrants tested was 4,000 gallons per minute. Subsequent sets performed over the years have substantiated this fire flow demand with most hydrants testing below 4,000 gpm. The ISO fire flow test performed in 2021 indicated that three of the hydrants tested had flows above 4,000 gpm; however, the remaining 13 hydrants that were tested had flows between 2,300 and 4,000 gpm. Based on this information, Newport believes that the fire flow demands used in the cost-of-service model are indicative of the fire demands placed on the system.
- b. The number of accounts that Newport serves is set forth in HJS Schedule D-1. Newport's retail service territory includes the City of Newport, the Town of Middletown and a portion of the Town of Portsmouth, RI. Newport Water does not know the population of its retail service territory, but publicly available data from United States Census Bureau indicates that Newport has a population of 25,163 (https://data.census.gov/profile/Newport_city,_Rhode_Island?g=160XX00US4449960); Middletown has a population of 17,075 (<https://data.census.gov/all?q=middletown%20ri>); and, Portsmouth has a population of 17,871 (<https://data.census.gov/all?q=portsmouth%20ri>).

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- c. The National Board of Fire Underwriters ceased to be a functioning organization in the 1970s, and therefore, it has not provided any fire flow recommendations/requirements for Newport Water's service territory that would be helpful in determining the current fire flow demands.

Prepared by: Harold Smith (a. and c.), Robert Schultz (b.)

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DIV-1-7: Please provide public and private fire usage volumes for the most recent three fiscal years.

Response: Please see attached.

Prepared by: Robert Schultz

DIV-1-7 Attachment

FY 2023 -	Gallons
NWD flushing program	38,328,500
Low flow flushing for water quality	53,060,383
Public fire allowance	25,000,000
Private fire usage including - - contractors, new fire service installs <i>Unknown - assumed allowance</i>	3,500,000
TOTAL - FISCAL YEAR	<u><u>116,388,883</u></u>

FY 2022 -	Gallons
NWD flushing program	19,078,591
Low flow flushing for water quality	25,664,865
Public fire allowance	10,000,000
Private fire usage including - - contractors, new fire service installs <i>Unknown - assumed allowance</i>	3,500,000
TOTAL - FISCAL YEAR	<u><u>54,743,456</u></u>

FY 2021 -	Gallons
NWD flushing program	32,904,550
Low flow flushing for water quality	31,157,147
Public fire allowance	10,000,000
Private fire usage including - - contractors, new fire service installs <i>Unknown - assumed allowance</i>	3,000,000
TOTAL - FISCAL YEAR	<u><u>74,061,697</u></u>

CERTIFICATION

I hereby certify that on July 24, 2024, 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
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