

June 6, 2005

Via Hand Delivery

Luly Massaro, Commission Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket No. 3626; Motion to Reopen Proceeding

Dear Luly:

Enclosed please find an original and nine copies of the above-referenced Motion. Please call me with any questions.

Sincerely,



Craig L. Eaton #5515
Attorney for the Woonsocket Water Division

Enclosure

cc: Ms. Cindy Wilson-Frias (via electronic mail)
Mr. Leo J. Wold (via electronic mail)
Mr. John Bell (via electronic mail)
Mr. Alan Nault (via electronic mail)
Mr. Christopher Woodcock (via electronic mail)
Ms. Carol Larievier (via electronic mail)

335131_1.doc

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

In Re: City of Woonsocket Water :
Division Application to Change Rate : **Docket No.: 3626**
Schedules :

**MOTION TO REOPEN PROCEEDING FOR
THE LIMITED PURPOSE OF APPROVING
NEW REVISED COMPLIANCE FILING**

Pursuant to Commission Rule 1.26, the City of Woonsocket Water Division (“WWD”) hereby makes motion to reopen the above-referenced docket for the limited purpose of approving a revised compliance filing. Please see the attached Memorandum of May 19, 2005 to Ms. Cindy Wilson as the reason for this Motion. Briefly, Compliance Schedule 7 was submitted on February 21, 2005 to the Commission as part of a comprehensive compliance filing in this Docket. On March 8, 2005, the Commission approved the full compliance filing. Schedule 7 showed revenues based upon a half-year billing period. Since the date of this filing, a final decision was made by WWD to commence quarterly billing. The quarterly billing will only be in effect for the second half of Calendar Year 2005.

As the attached Revised Schedule 7 shows, because of updated sales data and quarterly billing commencing only in the second half of 2005, revenues will only be approximately \$21,000 more than as approved by the Commission. This does not take into account increased expenses associated with the change to the quarterly billing period.

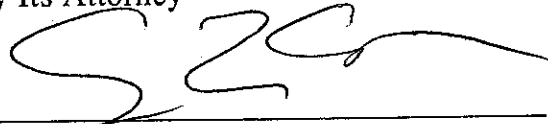
Because the hearings in this Docket have concluded, but a written order has not been issued, this Motion is proper under Rule 1.26. WWD respectfully requests the

Commission to reopen this proceeding for the limited purpose of approving the Revised Compliance Schedule 7, attached hereto.

Respectfully Submitted:

The City of Woonsocket Water Department

By Its Attorney



Craig L. Eaton, Esq., #5515
Adler Pollock & Sheehan P.C.
One Citizens Plaza, 8th Floor
Providence, Rhode Island 02903-1345
Tel. (401) 274-7200
Fax. (401) 751-0604
Email: ceaton@apslaw.com

335129_1.doc

May 19, 2005

Cindy Wilson
Commission Counsel
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket No. 3626; Quarterly Billing

Dear Cindy:

The Commission has recently inquired of the Woonsocket Water Division ("WWD") how changing to quarterly billing will affect revenue and expenses. As you know, at the Open Meeting of February 17, 2005, the Commission authorized WWD to collect an additional \$1,602,012 in revenue in order to meet expenses. On February 21, 2005, WWD made a compliance filing to implement the order. As part of this compliance filing, a revised Schedule 7 was submitted, which included service charges for both semiannual and quarterly billing. The compliance filing was approved by the Commission on March 8, 2005.

The Commission has expressed concern that quarterly billing will result in increased revenue for WWD over what was approved. Specifically, the Commission is concerned that the switch to quarterly billing will result in approximately \$233,000 more in revenue than expenses, causing WWD to be out of compliance with the Order.

The switch to quarterly billing will not materially increase revenues, and will actually result in WWD collecting less revenue than expenses given the updated situation. The attached Revised Compliance Schedule 7 (p 1 of 3) shows that, all else being equal, quarterly billing would result in WWD recovering \$233,315 more in revenue than expenses. However, as set forth below, all else is not equal:

- Recent sales data shows much less revenue than forecast in the original Compliance Schedule 7. The updated sales data is reflected in the attached Revised Compliance Schedule (p. 2 of 3). Based on the updated sales data alone, the total increase in revenue over that allowed would fall from \$233,315 to \$116,794.
- Quarterly billing will only be in effect for the second half of Calendar Year 2005. The actual billings will be some \$95,600 less than as shown on the attached Revised Compliance Schedule (p.p. 1 and 2 of 3). Accordingly, taken together,



May 12, 2005

Page 2

the reduced consumption and delay in implementing the quarterly bills will result in revenues being only approximately \$21,000 more than approved by the Commission.

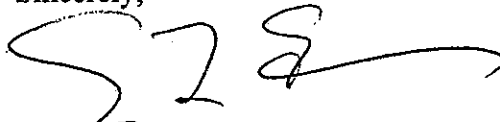
- Quarterly billing results in increased administrative expenses. As shown in Revised Compliance Schedule 7 (p. 3 of 3), postage and material costs alone will add an additional \$8,319 of expense. When additional time and other intangibles are taken into account, any increase of revenue over expenses becomes negligible.

It should be noted that, as shown in Revised Compliance Schedule 7 (p. 3 of 3), the above analysis does not take into account the increase in electric cost and additional bond issue payments. When these are factored in, a switch to quarterly billing will still not result in WWD's revenues being enough to cover expenses.

Please accept the attached Revised Compliance Schedule 7 as an update to the compliance filing made on February 21, 2005. Because the rates within Schedule 7 are not changing, it is WWD's position that no further action is needed from the Commission.

Thank you for this opportunity to update the Commission.

Sincerely,



CRAIG L. EATON, #5515

Attorney for Woonsocket Water Division

CLE/ln

cc: Luly Massaro, Commission Clerk
Leo Wold, Special Assistant Attorney General
Christopher Woodcock
Emerson J. Marvel
Carol Lariviere
Alan Nault, Commission

Revenue Reconciliation - with Quarterly Billing

<u>Revenue Category</u>	<u>Size/Use # or 100 cu ft</u>	<u>Rate</u>	<u>Proposed Revenues</u>	<u>Current Revenues</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Public Fire Protection						
4 inch	31	\$110.82	\$3,435	\$2,943	\$493	16.74%
6 inch	1,519	\$321.91	\$488,981	\$418,879	\$70,102	16.74%
Bills	3	\$14.00	\$42	\$0	\$42	---
			\$492,459	\$421,822	\$70,636	16.75%
Private Fire Protection						
2 inch	11	\$40.72	\$448	\$412	\$36	8.64%
3 inch	5	\$78.20	\$391	\$187	\$204	108.64%
4 inch	46	\$143.30	\$6,592	\$6,116	\$476	7.78%
6 inch	87	\$368.44	\$32,054	\$29,309	\$2,746	9.37%
8 inch	19	\$756.98	\$14,383	\$13,090	\$1,292	9.87%
10 inch	4	\$1,329.48	\$5,318	\$4,796	\$522	10.89%
			\$59,186	\$53,910	\$5,275	9.79%
Subtotal Fire Protection			\$551,644	\$475,733	\$75,912	15.96%
Service Charges						
Semiannual						
5/8	0	\$25.75	\$0	\$431,808	(\$431,808)	-100.00%
3/4	0	\$30.68	\$0	\$14,809	(\$14,809)	-100.00%
1	0	\$34.65	\$0	\$11,963	(\$11,963)	-100.00%
1 1/2	0	\$52.28	\$0	\$142	(\$142)	-100.00%
2	0	\$67.75	\$0	\$193	(\$193)	-100.00%
3	0	\$88.32	\$0	\$0	\$0	---
4	0	\$126.69	\$0	\$0	\$0	---
6	0	\$212.33	\$0	\$0	\$0	---
8	0	\$361.41	\$0	\$0	\$0	---
10	0	\$512.82	\$0	\$0	\$0	---
			\$0	\$458,916	-\$458,916	---
Quarterly						
5/8	33,576	\$19.88	\$667,491	\$29,911	\$637,580	2131.60%
3/4	1,116	\$22.34	\$24,931	\$5,926	\$19,006	320.73%
1	1,452	\$24.33	\$35,327	\$21,789	\$13,538	62.13%
1 1/2	248	\$33.14	\$8,219	\$9,594	(\$1,375)	-14.34%
2	496	\$40.88	\$20,276	\$25,638	(\$5,362)	-20.91%
3	24	\$51.16	\$1,228	\$1,659	(\$431)	-25.98%
4	64	\$70.35	\$4,502	\$6,454	(\$1,951)	-30.24%
6	76	\$113.17	\$8,601	\$13,045	(\$4,444)	-34.07%
8	60	\$187.70	\$11,262	\$17,695	(\$6,433)	-36.35%
10	0	\$263.41	\$0	\$0	\$0	---
			\$781,838	\$131,709	\$650,128	493.61%
Subtotal Service Charge			\$781,838	\$590,625	\$191,213	32.37%
Metered Rates						
Wholesale						
	0	\$3,207.19	\$0	\$0	\$0	---
Retail						
	1,782,046	\$3.24	\$5,773,829	\$4,205,629	\$1,568,200	37.29%
Subtotal Metered Rates			\$5,773,829	\$4,205,629	\$1,568,200	37.29%
Total Rates and Charges			\$7,107,311	\$5,271,986	\$1,835,325	34.81%
Misc. Revenues			215,581	215,581	\$0	0.00%
Total Revenues			\$7,322,892	\$5,487,567	\$1,835,325	33.45%
Less Increm. Power & Chemical Adjustment (PUC-2)			(\$6,804)			
Adjusted Total Revenues			\$7,316,088			
Revenue Required			\$7,082,774			
Difference			\$233,315			3.19%

Revenue Reconciliation - with Quarterly Billing/Revised Usage

<u>Revenue Category</u>	<u>Size/Use # or 100 cu ft</u>	<u>Rate</u>	<u>Proposed Revenues</u>	<u>Current Revenues</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Public Fire Protection						
4 inch	31	\$110.82	\$3,435	\$2,943	\$493	16.74%
6 inch	1,519	\$321.91	\$488,981	\$418,879	\$70,102	16.74%
Bills	3	\$14.00	\$42	\$0	\$42	---
			\$492,459	\$421,822	\$70,636	16.75%
Private Fire Protection						
2 inch	11	\$40.72	\$448	\$412	\$36	8.64%
3 inch	5	\$78.20	\$391	\$187	\$204	108.64%
4 inch	46	\$143.30	\$6,592	\$6,116	\$476	7.78%
6 inch	87	\$368.44	\$32,054	\$29,309	\$2,746	9.37%
8 inch	19	\$756.98	\$14,383	\$13,090	\$1,292	9.87%
10 inch	4	\$1,329.48	\$5,318	\$4,796	\$522	10.89%
			\$5,186	\$3,910	\$1,275	9.79%
Subtotal Fire Protection			\$551,644	\$475,733	\$75,912	15.96%
Service Charges						
Semiannual						
5/8	0	\$25.75	\$0	\$431,808	(\$431,808)	-100.00%
3/4	0	\$30.68	\$0	\$14,809	(\$14,809)	-100.00%
1	0	\$34.65	\$0	\$11,963	(\$11,963)	-100.00%
1 1/2	0	\$52.28	\$0	\$142	(\$142)	-100.00%
2	0	\$67.75	\$0	\$193	(\$193)	-100.00%
3	0	\$88.32	\$0	\$0	\$0	---
4	0	\$126.69	\$0	\$0	\$0	---
6	0	\$212.33	\$0	\$0	\$0	---
8	0	\$361.41	\$0	\$0	\$0	---
10	0	\$512.82	\$0	\$0	\$0	---
			\$0	\$458,916	-\$458,916	---
Quarterly						
5/8	33,576	\$19.88	\$667,491	\$29,911	\$637,580	2131.60%
3/4	1,116	\$22.34	\$24,931	\$5,926	\$19,006	320.73%
1	1,452	\$24.33	\$35,327	\$21,789	\$13,538	62.13%
1 1/2	248	\$33.14	\$8,219	\$9,594	(\$1,375)	-14.34%
2	496	\$40.88	\$20,276	\$25,638	(\$5,362)	-20.91%
3	24	\$51.16	\$1,228	\$1,659	(\$431)	-25.98%
4	64	\$70.35	\$4,502	\$6,454	(\$1,951)	-30.24%
6	76	\$113.17	\$8,601	\$13,045	(\$4,444)	-34.07%
8	60	\$187.70	\$11,262	\$17,695	(\$6,433)	-36.35%
10	0	\$263.41	\$0	\$0	\$0	---
			\$781,838	\$131,709	\$650,128	493.61%
Subtotal Service Charge			\$781,838	\$590,625	\$191,213	32.37%
Metered Rates						
Wholesale	0	\$3,207.19	\$0	\$0	\$0	---
Retail	1,746,083	\$3.24	\$5,657,309	\$4,205,629	\$1,451,680	34.52%
Subtotal Metered Rates			\$5,657,309	\$4,205,629	\$1,451,680	34.52%
Total Rates and Charges			\$6,990,791	\$5,271,986	\$1,718,805	32.60%
Misc. Revenues			215,581	215,581	\$0	0.00%
Total Revenues			\$7,206,372	\$5,487,567	\$1,718,805	31.32%
Less Incr. Power & Chemical Adjustment (PUC-2)			(\$6,804)			
Adjusted Total Revenues			\$7,199,568			
Revenue Required			\$7,082,774			
Difference			\$116,794			1.62%

Updated Retail Water Use

Commission Finding

	<u>CY 2002</u>	<u>CY 2003</u>	<u>CY 2004</u>
March	155,657	166,716	153,955
June	579,228	648,776	697,546
September	235,790	195,632	174,132
December	<u>808,685</u>	<u>756,541</u>	<u>720,450</u>
Actual Annual	1,779,360	1,767,665	1,746,083
Provision	1,782,046	1,782,046	1,782,046
Difference %	-0.2%	-0.8%	-2.0%

Additional Expenses/Lost Revenues

<u>Estim. Additional Billing Costs</u>		<u>Amt in Excess of Allowed</u>
No. of New Bills	16,638	\$116,794
Addtl Postage	\$0.37	
Addtl Forms	<u>\$0.13</u>	
Addtl Cost/Bill	\$0.50	
Estim. Cost	\$8,319	\$108,475
<u>Electric Costs</u>		
Increase from \$0.572 to \$0.66/kWh		
Total kWh	2,342,429	
Cost =	\$20,613	\$87,862
<u>Delay in Service Charge Billing/Revenues (billed in advance)</u>		
Annual amount under current	\$590,625	
Annual amount under proposed	\$781,838	
Annual difference	\$191,213	
Half year difference	\$95,606	(\$7,744)

Also consider new bond payments:

New (March 2005) Bond Issue Payments

<u>Due Date *</u>	<u>Pmt</u>	<u>Annual</u>
9/1/2005	\$15,735	\$15,735
3/1/2006	\$40,915	
9/1/2006	\$212,447	\$253,363
3/1/2007	\$63,391	
9/1/2007	\$216,391	\$279,783

* Note: amounts must be collected and paid by this date.