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May 2, 2011

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

Re: Newport Water Docket 4025 (Miscellaneous Petition for Relief)

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of Newport Water's Response to the Division of Public Utilities and Carriers' First Set of Data Requests in the above-captioned matter. Please note that an electronic copy of Newport Water's Response has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf
Enclosures

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4025
(Post-Docket Miscellaneous Petition For Relief)
Response Of
City of Newport, Utilities Department, Water Division
To The Division of Public Utilities And Carriers'
Data Requests
Set 1

Div. 1-1: Please reconcile the revenues shown for the 12 months ended June 30, 2010 in the Water Division's Quarterly Financials submitted to the Commission on August 16, 2010 with those cited on page 2 of the Water Division's Miscellaneous Partition for Relief dated April 15, 2016.

Response: The revenues shown on Newport's quarterly report for the quarter ended June 30, 2010 were unaudited numbers as identified on the report. The revenues cited on page 2 of Newport Water's Miscellaneous Petition For Relief dated April 16, 2011 were taken from Newport's year end audited financial statement. There were adjustments made to the revenues cited in the quarterly report that increased Newport's revenues in the amount of \$362,130. The adjustments to the quarterly report that resulted in the final audited financial statement revenues are set forth on the attached schedule.

Prepared by: Joan Tracey

City of Newport, Utilities Department

Reconciliation of Revenue in the 6/30/10 Quarterly Financials to Allowed Rate Revenue in the Miscellaneous Petition for Relief

Year Ended June 30, 2010

	Per 6/30/10 Quarterly Financial		Adjustments	Per Petition for Relief
Revenue:				
Customer Charges (Billing Charges)	\$ 972,566			972,566
Water Sales:				
Combined		a	7,243,524	7,606,599
		b	109,893	
		c	166,447	
		d	86,735	
Retail Consumption	5,643,469	a	(5,643,469)	-
Wholesale/Bulk Sales	1,600,055	a	(1,600,055)	-
Fire Protection	1,247,155			1,247,155
Miscellaneous	645,234	d	(945)	644,289
	<u>\$ 10,108,479</u>		<u>\$ 362,130</u>	\$ 10,470,609
Less items classified as Revenue Offsets in Docket 4025				<u>(644,289)</u>
Allowed Rate Revenue				<u><u>9,826,320</u></u>

- a To combine Retail and Bulk sales
b To adjust accounts receivable other - unbilled revenue at 6/30/10
c To adjust customer accounts receivable at 6/30/10
d To correct posting errors in FY 2010 found in preparation for the year end audit

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Div. 1-2: With regard to RFC Schedule 1 in the Water Division's Application to Change Rates submitted on April 19, 2011:

- a. Please confirm that actual FY 2010 test year expenses net of revenue offsets of \$9,312,974 were less than FY 2010 revenues of \$9,826,320 excluding miscellaneous revenues.
- b. Please explain why the test year contribution to the debt service account is shown as \$1,282,604 instead of the \$2,010,823 approved in Docket No. 4025.
- c. Please state whether \$2,010,823 was contributed to the debt service account in FY 2010. If not, explain why not and identify the actual contribution.

Response:

- a. The actual FY 2010 test year expenses net of revenue offsets of \$9,312,974 were less than FY 2010 revenues of \$9,826,320 excluding miscellaneous revenues on RFC Schedule 1.
- b. The \$1,282,604 figure shown on RFC Schedule 1 represents the actual test year debt service expenses paid from the restricted debt service account in FY10. The actual contributions to the debt service account in FY10 were \$2,010,823. Thus, RFC Schedule 1 should have used the \$2,010,823 figure for test year contributions to debt service.
- c. \$2,010,823 was contributed to the debt service account in FY 2010.

Prepared by: Joan Tracey

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

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City of Newport, Utilities Department, Water Division

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Set 1

CERTIFICATION

I hereby certify that I sent by electronic mail a copy of the within to all parties set forth on the attached Service List on May 2, 2011, and one original to Luly Massaro, Clerk, Rhode Island Public Utilities Commission.

Parties/Address	E-mail Distribution	Phone/Fax
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