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April 5, 2010

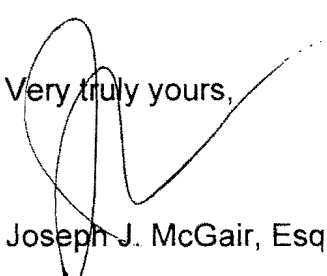
Luly E. Massaro
Commission Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Kent County Water Authority
Rate Filing, Docket No. 4142

Dear Ms. Massaro,

Enclosed herewith you will find an original and nine copies of Kent County Water Authority Response to the City of Warwick First Data Request in the above matter. The same was e-mailed to the attached service list today.

Very truly yours,


Joseph J. McGair, Esq.

JJM:dd
Enc.
HAND-DELIVERED

Docket No. 4142 – Kent County Water Authority - Rate Application
 Service List 2/5/10

Name/Address	E-mail Address	Phone/FAX
Joseph J. McGair, Esq. Petrarca & McGair, Inc. 797 Bald Hill Rd. Warwick RI 02886	jim@petrarcamegair.com	401-821-1330 401-823-0970
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02895	Lwold@riag.ri.gov jbell@ripuc.state.ri.us sscialabba@ripuc.state.ri.us amancini@ripuc.state.ri.us Mtobin@riag.ri.gov dmacrae@riag.ri.gov	401-222-2424 401-222-3016
Thomas S. Catlin Exeter Associates, Inc. 5565 Sterrett Place, Suite 310 Columbia, MD 21044	Tcatlin@exeterassociates.com	410-992-7500 410-992-3445
Timothy Brown, P.E. General Manager Chief Engineer Kent County Water Authority PO Box 192 West Warwick RI 02893-0192	tbrown@kentcountywater.org	401-821-9300 401-823-4810
Christopher Woodcock Woodcock & Associates, Inc. 18 Increase Ward Drive Northborough MA 01532	Woodcock@w-a.com	508-393-3337 508-393-9078
Peter D. Ruggiero, Warwick City Solicitor Ruggiero, Orton & Brochu 20 Centerville Road Warwick, RI 02886	ruggieropd@ruggiero-orton-brochu.com	401-737-8700 401-737-0735
Original & nine (9) copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02889	Lmassaro@puc.state.ri.us Cwilson@puc.state.ri.us sccamara@puc.state.ri.us	401-780-2107 401-941-1691

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
KENT COUNTY WATER AUTHORITY

- 1-1 List each and every staff position, the amount of base salary for each position, any longevity, any retirement contribution, any health and/or dental insurance contributions, and any other insurance and/or benefit allowances for each employee.
- A. See attached. There is no retirement, health or dental contributions. Longevity is based on pay scale structure (see attached).

Kent County Water Authority			
Response to First Data Request of the City of Warwick			
<u>1-1.</u>	<u>Employee Number</u>	<u>Position</u>	<u>Base Salary</u>
	20	System Chief	\$ 71,048
	40	Facilities Chief	\$ 75,011
	60	Crew Chief	\$ 72,334
	80	Crew Chief	\$ 66,769
	100	Crew Chief	\$ 61,547
	120	Laborer	\$ 47,736
	140	Laborer	\$ 46,550
	200	Operator	\$ 48,714
	220	Laborer	\$ 46,550
	240	Piper	\$ 49,941
	260	Construction Administration	\$ 49,941
	280	Laborer	\$ 47,507
	300	Dig Safe Operator	\$ 50,814
	320	Laborer	\$ 47,029
	340	Chief Operator	\$ 52,603
	360	Dig Safe Operator	\$ 50,378
	380	Laborer	\$ 41,267
	400	Laborer	\$ 47,923
	420	Laborer	\$ 46,987
	440	Chief Meterman	\$ 58,936
	460	Meter Reader	\$ 43,202
	480	Meter Reader	\$ 38,085
	500	Meter Reader	\$ 34,112
	520	Meter Reader	\$ 34,112
	1131	General Manager	\$ 139,256
	1173	Director of Technical Services	\$ 76,076
	1205	Director of Finance	\$ 83,200
	1206	Operator	\$ 32,032
	1208	Operator	\$ 32,032
	1210	GIS Operator	\$ 43,000
	2121	Chief Computer Operator	\$ 59,405
	2195	Customer Service	\$ 38,085
	2198	Customer Service	\$ 38,085
	2202	Customer Service	\$ 34,112
<u>1-2.</u>	Unfilled Position	Engineer	\$ 80,000
<u>1-3.</u>	<u>Budgeted Overtime</u>	<u>Actual Overtime as of 3/26/2010</u>	
	\$ 80,417.16	\$ 42,507.06	

LABORER/CUSTOMER SERVICE

CHART 1.5/1.75

	FULL CERT	MIN EXP	1	2	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	%
6	3 2	14							10%»	\$24.01	\$24.43	\$24.86	\$25.29	\$25.74	\$26.19	\$26.65	\$27.11	\$27.59	\$28.07	\$28.56	\$29.06	1.75%
5	2 2	10					10%»	\$21.83	\$22.21	\$22.60	\$22.99	\$23.40	\$23.81	\$24.22	\$24.65	\$25.08	\$25.52	\$25.96	CAP			1.75%
4	2 1	6						\$20.14	\$20.75	\$21.06	\$21.38	\$21.70	\$22.02	\$22.35	\$22.69	\$23.03	\$23.38	CAP				1.5%
3	1 1	2																				1.5%
2	1 1	1-2																				
1		0-1																				

- 1) BASE RATE IN EACH BLOCK FOR TWO YEAR PERIOD. INCREASES ANNUALLY BASED ON ANNUAL RAISE PERCENTAGE. TWO YEAR BLOCK INCLUDES 1.5% EXPERIENCE/LONGEVITY INCREASE OR 1.75%
- 2) PAY GRADE EXPERIENCE FACTOR TIPS OUT AT A PREDETERMINED POINT IN EACH PAY GRADE. PERCENTAGE FOR EXPERIENCE/LONGEVITY ENDS AT THAT POINT, BUT ANNUAL INCREASES CONTINUE. EMPLOYEE MUST ADVANCE TO NEXT PAY GRADE TO AGAIN RECEIVE LONGEVITY RAISE.
- 3) NEW HIRE PAY INCREASES AT ONE YEAR ANNIVERSARY BASED ON PERFORMANCE AND ATTAINING CERTIFICATION. OFFICE STAFF DOES NOT REQUIRE CERTIFICATION.
- 4) ADVANCEMENT TO NEXT HIGHER PAY GRADE BASED ON MEETING LICENSING QUALIFICATIONS, TIME IN GRADE AND PERFORMANCE EVALUATION FACTOR. FULL CERTIFICATION REQUIRED.
- 5) ADDITIONAL RESPONSIBILITY CAN BE EVALUATED TO SUPERCEED THE MINIMUM EXPERIENCE LIMITATIONS.

(+\$1.00)

KENT COUNTY WATER AUTHORITY

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1-2 List every open or unfilled position in response to question 1-1.

- A. See 1-1 above. We currently have one employee on long-term disability and do not expect this employee to return. We currently have 2 employees on worker's compensation coverage.

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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- 1-3 List the amount of budgeted overtime in budget year 2009-2010 and the amount of overtime expended.
- A. See 1-1 above.

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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1-4 How many budget years has the Authority experienced water consumption revenue shortfalls?

- A. Question is vague but we will try to respond. We have been experiencing reduced water sales for years and explained that in our previous rate cases; in particular, Docket 3942. As explained in my testimony FY 2003 through FY 2007 have experienced decreased sales, see attached.

Sales for FY 2008 were 403.0 million cubic feet and FY 2009 372.8 million cubic feet. Clearly the downward trend continues with a slight increase in FY 2008 but a significant decrease in FY 2009. FY 2010 we believe will also be on the downside as well. We just completed the wettest March in history.

1 Island Section of the American Society of Civil Engineers and the Rhode Island Society of
2 Professional Engineers.

3
4 **Q. What is your role in these proceedings?**

5 A. As General Manager/Chief Engineer of the Kent County Water Authority, I am responsible
6 for the Authority operations including plant, transmission, pumping stations and storage
7 facilities within the Kent County Water Authority.

8
9 **Q. What are the total water sales for the Kent County Water Authority during each of
10 the last five fiscal years (excluding Warwick)?**

11 A. Last five fiscal year water sales in cubic feet (FY 03, 04 and 05 are unadjusted, FY 06 and
12 07 are adjusted) are as follows:

13
14 FY 03 – 447.0 million cubic feet

15 FY 04 – 435.8 million cubic feet

16 FY 05 – 430.9 million cubic feet

17 FY 06 – 424.0 million cubic feet

18 FY 07 – 390.3 million cubic feet

19
20 **Q. Doesn't this show a clear downward trend in sales?**

21 A. Yes, it does. It is somewhat unknown but I believe it relates to our demand management
22 methods, loss of large customers, wetter than normal years and generally less water use
23 by our customers.

24
25 **Q. What is the fiscal year of the Kent County Water Authority?**

26 A. From July 1st to the succeeding June 30th.

27
28 **Q. What is the test year of the Kent County Water Authority in this filing?**

29 A. From July 1, 2006 to the succeeding June 30, 2007.

30

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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1-5 What is the Authority's explanation or understanding regarding the revenue projection shortfall?

A. The Authority's filing is based on recovering the reduction in revenue that resulted from actual water sales that were less than the volumes used in projecting revenues in Docket 3942. As stated in my prefiled testimony "My analysis of actual sales for the Docket 3942 rate year shows that the reduced use resulted in actual revenues that were some \$1.56 million below the authorized rate revenues of \$19.45 million."

B.

Witness Responsible: C. Woodcock

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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- 1-6 What actions and/or plans has the Authority implemented to reduce expenses in light of the revenue shortfall during the present budget year?
- A.
- a) Frozen all non-essential purchases specific authorization required by General Manager on all purchasers.
 - b) Left positions intentionally unfilled unless deemed critical.
 - c) Reduced overtime on night and weekend shifts approximately 50 hours per month.
 - d) Where possible repairs done during day shift or held until weekday shifts.
 - e) Held IFR projects until funding has been secured. Funding of IFR Restricted Account only when revenue has been collected.

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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- 1-7 What actions and/or plans does the Authority propose to implement to reduce expenses to match projected revenues for the upcoming 2010-2011 budget year?
- A. Budget for 2010 – 2011 not prepared at this time and no action plan has been discussed as of the date of response preparation.

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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- 1-8 What is the projected ratio of collected revenue to uncollected revenue in the 2010-2011 budget? If this ratio is less than 100 percent, what collection efforts does the Authority propose to undertake to collect unpaid revenue?
- A. Budget for 2010 – 2011 not prepared at this time nor do we budget for uncollected revenue.

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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- 1-9 What are the increased costs to supply water to public fire hydrants in relation to the proposed increase?
- A: This filing does not include any cost of service analysis; rather the increases that are proposed are all across the board, i.e., an equal percentage increase to all rates and charges. A full cost of service analysis was submitted and approved in Docket 3942. Given the limited issues presented in this filing, a full cost of service was not performed.

Witness Responsible: C. Woodcock

KENT COUNTY WATER AUTHORITY

FIRST DATA REQUEST OF THE CITY OF WARWICK TO THE
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1-10 What are the increased costs associated with the administrative accounting services of the Authority to justify the proposed billing rate increase for fire hydrant rental?

A: There are no proposed increases associated with administration or accounting. This filing does not include any cost of service analysis; rather the increases that are proposed are all across the board, i.e., an equal percentage increase to all rates and charges. A full cost of service analysis was submitted and approved in Docket 3942. Given the limited issues presented in this filing, a full cost of service was not performed.

Witness Responsible: C. Woodcock