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May 6, 2014

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

Re: *Newport Water Dockets*
4243 & 4355

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of Newport Water's response to the Rhode Island Public Utilities Commission's First Set of Data Requests. Please note than an electronic copy of this document has been sent to the service list.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf
Enclosures

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKETS 4243 & 4355
TARRIFF ADVICE FILING
AND PETITION FOR RELIEF/
MULTI-YEAR RATE PLAN COMPLIANCE FILING
Response Of The City Of Newport,
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COMM. 1-1: How does converting to monthly billings impact the employees that read the meters? Are the staffing levels appropriate?

Response: The radio read meter system technology is such that the impact of monthly reading on the Meter Section staff is minimal and staffing levels are adequate. In preparation for an eventual move to monthly billing, employees in the Meter Section have been performing monthly reads on all accounts since July 2013.

Prepared by: Julia Forgue

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COMM. 1-2: How often will you be conducting actual reads for each account? If you will not be conducting monthly reads on each account, how will you estimate the usage (i.e., will the bill be one third of the previous quarterly usage)?

Response: All accounts will be read monthly, and we expect to obtain actual reads for each account. Estimated readings will only occur if the remote reading apparatus fails and meter personnel are unable to gain access to read the actual meter. In such a case, the billing usage will be calculated using the most recent two previous actual readings to determine an average daily use. This average will be used to estimate usage for the current bill.

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COMM. 1-3: What are the benefits/impacts to customers if monthly billing is implemented? How will the monthly service charge affect current quarterly customers?

Response: Monthly billing benefits the customer in many ways. First, most customers receive monthly bills for their other utilities (i.e. electric, gas, phone, cable, etc.) Billing monthly means customers receive smaller bills rather than large quarterly bills. This allows customers to budget payments more easily. Furthermore, monthly billing improves leak detection since customers can identify high consumption monthly rather than quarterly. Customers can catch leaks in one to two months rather than waiting for a large quarterly bill to discover a problem. This benefits customers who can repair leaks before receiving an abnormally high quarterly water bill. In addition, customers can examine high usage for things such as irrigation sooner and use water more wisely. This will assist our customers with conservation.

The impact of the monthly base charge for quarterly customers is reflected in the Tariff filing, Exhibit 6, Schedule C (attached).

Prepared by: Julia Fogue

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: X

SCHEDULE C
BASE CHARGE

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for industrial, commercial and residential users, exclusive of fire service connections.

Rates:

For each meter connected to the Newport Water Division's mains the following charges shall apply:

Monthly		Quarterly	
Meter Size	Rate (\$/month)	Meter Size	Rate (\$/quarter)
5/8"	7.94 <u>4.89</u>	5/8"	11.47
3/4"	8.04 <u>5.01</u>	3/4"	11.79
1"	8.96 <u>6.07</u>	1"	14.54
1.5"	11.30 <u>8.78</u>	1.5"	21.55
2"	13.53 <u>11.35</u>	2"	28.25
3"	25.64 <u>25.22</u>	3"	64.57
4"	28.87 <u>28.90</u>	4"	74.27
5"	33.18 <u>33.80</u>	5"	87.20
6"	36.41 <u>37.48</u>	6"	96.90
8"	45.03 <u>47.29</u>	8"	122.76
10"	60.66 <u>65.07</u>	10"	169.63

Method of Payment:

All billing charges under this schedule are rendered in advance concurrent with the billing cycle, monthly or quarterly and are due and payable in full when rendered.

Effective: ~~April 1, 2014~~ July 1, 2014

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PUBLIC UTILITIES COMMISSION

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Method of Payment:

All billing charges under this schedule are rendered in advance concurrent with the billing cycle, monthly or quarterly and are due and payable in full when rendered.

Effective: July 1, 2014

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COMM. 1-4: How will you transition quarterly customers to monthly billing? What are your methods of communicating this change to customers?

Response: Upon approval, the transition to monthly billing will commence with the August 1, 2014 bill.

In addition to the notice customers received when Newport submitted its tariff filing, we will notify customers of the change to monthly billing with a notice in the July 1, 2014 bills. Information will also be provided on the City of Newport's website.

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COMM. 1-5: Will all monthly bills be mailed and due on the same day or will there be cycle billings?

Response: Currently all bills are issued and due on the same day, and we plan to continue in the same manner with monthly billing.

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COMM. 1-6: Please explain how you currently assess late charge penalties and how this process will be changed for current quarterly customers if you convert to monthly billings.

Response: For past due bills, the current penalty is 18% per annum and is accrued daily. The penalty starts to accrue the first day a bill becomes past due. This process will not change due to our conversion to monthly billing.

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COMM. 1-7: What billing system is Newport Water using? What will the process be to convert the quarterly accounts to monthly accounts in the billing software? How long will the process take? Can Newport Water employees make the change or will there be expense to an outside vendor?

Response: Newport uses Vision Government Solutions software for billing. The conversion of a quarterly account to a monthly account will be done by the software programmer as he is able to make a global change to our data which will take approximately two hours. The cost for the change is covered under our yearly contract.

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COMM. 1-8: Please identify the number of customers you service by type (i.e. residential, commercial, industrial, etc.), the number that will be transitioned from quarterly to monthly and please provide a sample billing for each class of customer based on monthly billing.

Response: Please see schedule below for customers identified by class and the number of accounts to transition to monthly billing.

NON-RESIDENTIAL		RESIDENTIAL		WHOLESALE (Monthly)	
Meter Read Frequency		Meter Read Frequency		Navy	Portsmouth
Monthly	Quarterly to convert	Monthly	Quarterly to convert	Meters	Meters
670	846	133	12,883	13	1

Please see attached schedule Com. 1-8 for sample billing for a residential and non-residential customer bill. For additional sample billing information please reference Tariff Advice Filing and Petition for Relief, HJS Schedule A-3

Prepared by: Julia A. Fogue

Com. 1-8

Average Residential Water Rate Payer

**Annual Usage- 60,000gallons
 Meter size- 5/8"
 Annual Increase \$119.60 or 22%**

	<u>Current</u>	<u>Proposed</u>
Water Rate (per 1000gallons)	\$ 8.24	\$ 10.02
Base Charge	11.47/Qtr	4.89 /Per mth
Annual Water Charge	\$ 494.40	\$ 601.20
Annual Base Charges	\$ 45.88	\$ 58.68

TOTAL	\$ 540.28	\$ 659.88
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Average Non-Residential Water Rate Payer

**Annual Usage- 360,000gallons Meter size- 1"
 meter size 1"
 Fire Service- 6"
 Annual Increase \$884.49 or 21%**

Water Rate (per 1000gallons)	\$ 9.19	\$ 11.22
Base Charge	8.96/mth	6.07 /mth
Annual Water Charge	\$ 3,308.40	\$ 4,039.20
Annual Base Charges	\$ 107.52	\$ 72.84

Annual Private Fire Service	\$ 762.74	\$ 951.11
TOTAL	\$ 4,178.66	\$ 5,063.15

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CERTIFICATION

I hereby certify that on May 6, 2014, 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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