

PROVIDENCE WATER SUPPLY BOARD

Docket No. 4406

Data Requests of the Kent County Water Authority

Set I

(Issued May 9, 2013)

- KCWA 1-1. Please provide a listing of unlined cast iron mains by size of pipe.
- KCWA 1-2. Please detail the \$60,594,212 of construction work in progress that is included in the net plant value.
- KCWA 1-3. Please detail the assets that encompass the \$13,846,150 of assets under capital lease that are included in the net plant value.
- KCWA 1-4. Please provide the work paper(s), backup data or source for the gross and net plant investment as of June 30, 2012.
- KCWA 1-5. On Page 3 of Mr. Gadoury's pre-filed testimony, he discusses an EPA regulatory requirement that Providence replace 7% of its lead service pipes per year and that since 2007 it has spent approximately \$8 million per year on this. In light of this rate of replacement, why is no value for service pipes included in the listing of assets? In addition, please explain why at least \$40 million of gross service pipe value (\$8 million times 5 years from 2007 through 2011) should not be added to the plant values. Also please provide Providence's estimate of the net value of service pipes as of June 30, 2012.
- KCWA 1-6. Please explain the significant increase in T&D Other Plant & Miscellaneous items from a net amount of some \$1.4 million as of June 30, 2006 to a net value in excess of \$23 million as of June 30, 2012. Please detail what is included in this item.
- KCWA 1-7. Please explain the large increase in General Plant Structures & Improvements from a net amount on June 30, 2006 of \$1.8 million to some \$9.3 million as of June 30, 2012. Please detail these additional assets.
- KCWA 1-8. Considering the recent order from HEALTH and that the bulk of the infrastructure replacement program will consist of the replacement or cleaning and

lining of mains over the next 20 years (Exhibit PG-4), given the extraordinary cost, please discuss why the allocation of IFR costs should not be changed so that the costs are allocated according the symbol F rather than symbol T.

KCWA 1-9. Regarding HJS Exhibit 1: For what period are the numbers of meters by size and billing frequency?

KCWA 1-10. For Allocation Factors N, NO and NP;

- a) Please provide the basis for the percentages assigned to retail and to wholesale for each pumping station and the basis for such determinations.
- b) Why are no pumping costs for any pumping station assigned to fire protection as they were with Source of Supply (symbol A) and Treatment related costs (symbol AA)?
- c) Please explain why nearly 50% of the power costs associated with Neutaconanut, Bath Street and Aqueduct pumping stations are allocated to wholesale customers while it is indicated (worksheet tab "Factors N, NO and NP") that only 25% or 33% of the facility is for wholesale service?

KCWA 1-11. Where are the peaking factors for maximum day and peak hour presented on HJS S-16 derived from?

KCWA 1-12. Why are the Meter and Fire Protection related Net Plant costs reassigned to Base, Maximum Day and Maximum Hour costs for:

- a) Symbol K1
- b) Symbol HMY
- c) Symbol Comm Y
- d) Symbol Comm Z
- e) Symbol NP
- f) Symbol DY
- g) Symbol YY

KCWA 1-13. The description of Allocation Factor HM indicates it is based on FY 2004-2006 Activities. Please provide the backup for the calculations of Allocation Factor HM in Excel format. In addition, please provide an update of allocation factors HM, HOC, and HMC based on the most recent three years (FY 2010 – FY 2012) in similar format as that provided in Docket 3832.

KCWA 1-14. Regarding the worksheet entitled "FY 2012 HO HOC HMC Alloc."

- a) For what period are the costs that are shown?
- b) Explain why IFR related cost line items should be included in the analysis? Are these costs recovered through the IFR fund?
- c) Did Providence Water only spend \$45 on scheduled TD Valve Exercise?

KCWA 1-15. Please explain why there is in excess of \$3 million of T&D Labor shown on Schedule HJS-A1 for FY 2012, yet the total T&D labor costs on spreadsheet Tab "FY 2012 HM HOC HMC Alloc." cell D57 is only \$529,897 for FY 2012. (Note that in Docket 3832 the total labor used to derive the factor HM exceeded \$2 million each of the years 2004, 2005 and 2006).

KCWA 1-16. Please explain why the total T&D Contract Services Other for FY 2012 = \$227,478 (HJS Schedule A1), yet the amount shown on spreadsheet Tab "FY 2012 HM HOC HMC Alloc." cell D73 is nearly two times as much at \$559,487.

KCWA 1-17. According the derivation of allocation factor HM, over 50% of the labor costs are associated with Meters & Services. Under what O&M expense category are materials and supplies related to repairs of meters and service pipes included?

KCWA 1-18. Please explain why Admin & General Employee Pensions & Benefits are allocated according to symbol Z rather than symbol Y.

KCWA 1-19. Does Mr. Smith agree that the value of Treatment plant land should also be deducted from total plant costs for allocation symbol K2? If not, please explain why not.

KCWA 1-20. The Source of Supply Asset Item "Lakes, Rivers & Other Intakes" has no depreciation. Is this a land item? Does Mr. Smith agree that the value of Source of Supply Lakes, Rivers & Other Intakes should also be deducted from total plant costs for allocation symbol K2? If not, please explain why not.