

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY BOARD :
GENERAL RATE FILING : DOCKET NO. 4406

KENT COUNTY WATER AUTHORITY'S SECOND SET OF DATA REQUESTS
DIRECTED TO PROVIDENCE WATER SUPPLY BOARD
(Issued May 31, 2013)

- KCWA 2-1. Based on the December 2010 IFR submitted as part of the data requests from the Division, it appears that neither the Lawton Hill nor the Longview Reservoirs provide any service to wholesale customers. Please confirm. If not true, please explain which wholesale customers receive service from these facilities.
- KCWA 2-2. Regarding the response to Div 1-7 (monthly sales by customer class), what percentage of each customer class are billed monthly?
- KCWA 2-3. On page 15 (lines 3-5) of his pre-filed testimony, Mr. Smith states that “the demand characteristics of all the wholesale customers are the same and that their demands for service are essentially the same as the demands placed on the system by the entire retail class.” Considering the results in Div 1-7, please explain how Mr. Smith comes to these conclusions.
- KCWA 2-4. Please provide a copy of the annual principal and interest payments (and fees, if applicable) on all existing and proposed debt service for the test year and at least five years following the test year.
- KCWA 2-5. Please explain why Providence Water requires \$2.45 million per year for its Capital Fund when it has a balance in excess of \$4.6 million projected for the end of FY 2015.
- KCWA 2-6. Please detail the \$1,250,000 of Western Cranston Projects shown for FY 2014 in Schedule HJS-S9B.
- KCWA 2-7. Regarding the \$8 million proposed addition to IFR expenses, Mr. Smith (page 9, line 23 and Schedule HJS-S9) refers to Mr. Gadoury’s testimony for support. The discussion in Mr. Gadoury’s testimony refers to his Exhibit PG-3 that indicates revised IFR funding for distribution mains of \$77 million over 5 years (\$15.4 million per year

average). This is an increase of \$27 million over 5 years (\$5.4 million per year) over the existing IFR funding. Please detail:

- a) The basis for the \$8 million/year addition to IFR funding.
- b) The basis for the amounts presented in Schedule HJS-S9C for cash funded projects of \$23,815,000 in FY 2013, \$25,165,000 in FY 2014, and \$25,680,000 in FY 2015.

KCWA 2-8. Please explain why Providence Water believes an \$8 million per year addition to the IFR fund is needed when a surplus or balance at the end of FY 2015 of \$7,561,603 is shown on Schedule HJS-S9C. What do the "***" at the end of the line "Cash Funded Projects" refer to?

KCWA 2-9. Please provide a schedule that reconciles the principal and interest amounts provided in response to item 2.9(f) (attached to Mr. Smith's testimony) with the amounts presented in Schedules HJS-S9A through HJS-S9I.

KCWA 2-10. Regarding Mr. Gadoury's testimony (page 11) regarding IFR spending since 1996 and the response to KCWA 1-8, please summarize the IFR spending by Providence Water since 1996 in the broad categories of: Source of Supply, Pumping (may be combined with Supply if needed), Water Treatment Plant, Transmission & Distribution, General Plant.

KCWA 2-11. Please provide the basis for each of the amounts shown on Schedule HJS- S9E for the use of the funds under the Equipment/Vehicle Replacement Fund.

KCWA 2-12. Regarding the testimony of Mr. Spinelli (page 5, lines 27-28), please provide Providence Water's estimate of the additional (one-time) revenues from improved cash flow and reduced receivables with the conversion from quarterly to monthly billing. How has Providence Water reflected these increases in the current rate filing?

KCWA 2-13. Regarding the response to Div 1-24 and Schedule HJS-S7 (Regulatory Expenses): Please explain why each of the costs from the following should be included in the rate year in the current case. Does Providence Water anticipate all these issues in the Rate Year?

- a) Docket 4061 – Conservation filing
- b) Bond filing/refunding
- c) Bond filing \$33 million
- d) Regional Water District
- e) Hydrant Fees
- f) New Headquarters

KCWA 2-14. Please explain why rate payers should pay any costs related to the City's proposed legislation or any other efforts related to the Regional Water District.

KCWA 2-15. Please explain what the regulatory cost associated with "New Headquarters" are. In addition, please provide supporting documentation for the annual capital cost of \$2,400,000 for New PW Central Operations Facility shown on Mr. Gadoury's Exhibit PG-5

KCWA 2-16. What was the total cost for the "Full Rate Filing" and for "Legal" in Docket No. 4061?

KCWA 2-17. Referring to the response to Div 1-31: Please provide a comparison of the actual amounts spent on IFR projects vs. the budget amounts shown for 2011 (\$26,860,000 budget), 2012 (\$ 17,575,000 budget), and, to extent possible, 2013 (\$23,815,000).

KCWA 2-18. Regarding the response to KCWA 1-2: Is it the contention of Providence Water that unspent bond proceeds constitute Construction Work in Progress? If so, please explain the basis for this.

KCWA 2-19. Regarding the response to KCWA 1-3: Are there Capital Leases associated with the Fruit Hill system and with an Office Building in Cranston as indicated in the attachment to the response? If so, please provide details of these leases and explain the statement in Exhibit 2 to Mr. Smith's testimony (Index and Responses in Compliance with Part 2), item 2.9(g).

KCWA 2-20. Regarding the response to KCWA 1-10(b) (symbols N, NO, and NP): The question was concerned with why none of the costs of these pumping facilities were allocated to fire protection. Is it the contention of Providence Water that no water used for firefighting is pumped through any of the pumping stations? Please explain.

KCWA 2-21. Regarding the response to KCWA 1-11: did Mr. Smith review the peaking factors that were used in Docket 3832 for this docket? Considering the information provided in response to Div 1-7, does Mr. Smith still believe they are appropriate?

Submitted By:
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