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June 26, 2013

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Mrs. Luly Massaro
Commission Clerk
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Dk 4406 Division Data Request; Set 3

Dear Mrs. Massaro:

Enclosed is an original and seven copies of Providence Water's response to the third set of data request from the Division.

If you have any questions you can contact me at extension 7217.

Sincerely,

Mary E. Deignan-White
Senior Manager of Regulatory

cc: service list

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**Data Requests of the
Division of Public Utilities and Carriers
Set 3**

DIV 3-1. Please provide a revised cost of service study in Excel format incorporating all changes and revisions to PWSB's filed study which Mr. Smith has indicated through various data responses will be incorporated in the study filed in his rebuttal testimony. Highlight and identify each change, and update this response as additional changes and revisions are identified.

Response: Please see the excel file "PWSB Response to DIV 3-1 v5.xls" forwarded via email. Also please note the following changes that have been made to the cost of service study in response to the data requests Providence Water has received to this point:

- **DIV 1-10:** Adjusted capital reimbursement by % contractual salary increase.
- **DIV 1-39:** Corrected monthly billing adjustment to customer accounts salaries
- **DIV 2-4:** Corrected Allocation Factor Legend
- **DIV 2-9:** Changed Supply Mains and Other Power Production Equipment from Factor N to Factor A
- **KCWA 1-4 and 5:** Incorporated corrected plant data per KCWA 1-4 and 5
- **KCWA 1-13, 15 and 17:** Updated allocation factors HM, HOC and HMC.
- **KCWA 1-18:** Changed A&G pensions and benefits to allocator Y
- **KCWA 1-19 and 20:** Removed land items from calculation of factors K1 and K2.

In addition, Providence Water is proposing that the calculation of factors HM, HOC and HMC be based on a six year average, and that line 63150 (in HJS-11) be allocated on Factor TD.

Finally, considering the considerable cost shifts and rate impacts of the aforementioned changes, Providence Water retains the right to investigate the

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same, and propose further changes to this study as necessary in our rebuttal testimony in an effort to mitigate rate shock that may result from these changes.