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September 15, 2015

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

Re: Pawtucket Water Supply Board – Docket No. 4550

Dear Luly:

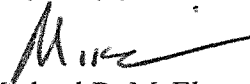
As you know, this office represents the Town of Cumberland in this matter.

Enclosed are an original and nine copies of the Town of Cumberland's Responses to the 3rd set of data requests from Pawtucket Water Supply Board.

An electronic version has been provided to the service list. Hard copies are being sent to you and the Attorney General.

If you have any questions, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg
cc: Service List

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PAWTUCKET WATER SUPPLY BOARD : DOCKET No. 4550
GENERAL RATE FILING :

**THE TOWN OF CUMBERLAND'S RESPONSES TO THE
3rd SET OF DATA REQUESTS FROM PAWTUCKET WATER SUPPLY BOARD**

Data Requests to David F. Russell, P.E.

3-1 Regarding Mr. Russell's surrebuttal testimony on page 8, lines 19-23: Provide all evidence that changes in rates in RI and southern New England do not follow national trends.

RESPONSE:

I didn't say that rates in RI and southern New England do not (or do) follow national trends. I simply said that because the national statistics provided by PWSB do not include many systems in southern New England, or RI in particular, the trends evidenced in the national sample do not necessarily reflect the conditions of individual water systems in RI.

Prepared by David F. Russell, P.E.

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4550
RESPONSES OF THE TOWN OF CUMBERLAND
TO PAWTUCKET WATER SUPPLY BOARD
Data Requests
Set 3

3-2 Regarding Mr. Russell's surrebuttal testimony on page 8, lines 26-28: Provide all evidence that "sewer systems have for many years experienced greater cost increases than water systems."

RESPONSE:

This statement was based solely on my professional experiences. Most of the cities and town that I have worked for with water and wastewater systems, or those for which I have observed their rates, usually charge individual residential customers more for their wastewater service than their water service.

Prepared by David F. Russell, P.E.

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3-3 Regarding Mr. Russell's surrebuttal testimony on page 10: Mr. Russell recommends that PWSB hire "an energy efficiency expert to identify additional measures"; what is Mr. Russell's estimate of this cost? Did he recommend any additional revenue allowance for this?

RESPONSE:

The cost of such services vary considerably depending on the size of the utility, the technologies it uses, the current level of energy usage, and the vendor selected to do the work to name a few. However, there are many companies that specialize in this work that are very willing to take on the work for a relatively small portion of measured and realized saving that can be attributed to their work. Arrangements such as these can be implemented with no additional cost to the utility.

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3-4 Regarding Mr. Russell's surrebuttal testimony on page 15: Does Mr. Russell contend that the 1.5% operating revenue is somehow restricted so that it will grow? Please explain..

RESPONSE:

No he doesn't. Any misunderstanding related to this issue results from a response by PWSB to an information request that incorrectly equated the Operating Revenue account to the Rate Stabilization Fund.

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3-5 Regarding Mr. Russell's surrebuttal testimony on page 22, lines 6-9: what are "the variables that will only be known near the end of the hearing process" to which he refers and how will each of these variables affect his estimates in the table on page 23.

RESPONSE:

Some of the variables referred to include, but are not necessarily limited to, the following that are either settled or approved by the Commission: the level of sales by customer class; the peaking factors used by customer class; inflation levels; some line item expenses, like rate case expenses; level of UAW used to allocate costs between wholesale and retail customer classes; funding levels for capital costs; rate design; and mitigation measures.

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3-6 What is the rate that Cumberland pays to the Woonsocket Water Division for wholesale water?

RESPONSE:

The current wholesale rate that the WWD charges the CWD is \$4.54/TG. This rate is not expected to change significantly for at least the next three years. The rate currently proposed by PWSB for its wholesale sales is \$5.00/TG. Using the Division's currently proposed peaking factors would result in PWSB's wholesale rate being set at \$4.55/TG. Even at the lower rate PWSB's rate will be more costly than WWD's in the near future because the CWD has to pump water that it purchases from PWSB, which adds a sizable increment to the cost of PWSB's water. The supply from the WWD is via a gravity feed requiring no additional pumping. Given these relative prices for the next three years it is likely that the CWD will buy as much water as it can on a daily basis from the WWD, particularly during the peak summer months, which I understand will be at least 0.5 MGD for about the next year, and then could increase to as much as 1.0 MGD. Whether at the low end, the high end or somewhere in the middle of this range, CWD's ability to purchase water from the WWD will greatly reduce the peak requirements it would have placed on the PWSB system in the future. Similarly, if the CWD had in the past been able to purchase these levels of water from the WWD, the peak demands that the CWD did place on the PWSB system would have been much lower.

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3-7 Does the current Woonsocket rate include the cost of the new water treatment plant proposed for Woonsocket?

RESPONSE:

No, it does not. Furthermore, because construction of the proposed new WTP in Woonsocket has not even started, any increase in WWD's wholesale rates due to the addition of that plant, will not, in all likelihood, be implemented before the end of PWSB's three year rate plan.

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CERTIFICATION

I hereby certify that on the 15th day of September, 2015, I sent a copy of the foregoing to the attached service list.


Theresa Gallo

Cumberland/Pawtucket Water Supply Board 4550/Response3

**DOCKET NO. 4550 - Pawtucket Water Supply Board – Multi-Year Rate Filing
Service List updated 3/12/15**

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David Russell	Davidrussell015@comcast.net	
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