

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4550
2017 COMPLIANCE FILING
The Pawtucket Water Supply Board's Response
To The Town of Cumberland's
Data Requests
Set 5

Cumberland 5-1: What were the levels of consumption and associated projected revenues by customer class (small, medium and large Retail; and Wholesale) used by PWSB to estimate the total revenues that would be produced in FY 2016 by applying the approved rates (first step rates) to those consumption levels? Also for FY 2016 provide a breakdown of all other operating revenues estimated by PWSB that would result from fixed charges (customer service charges, fire protection charges, etc.), as well as all other miscellaneous revenues. The total of all these component revenues should equal the total revenues in FY2016 projected by PWSB as prescribed in the revised Settlement Agreement. If they do not, provide the reasons for any differences.

Response: The increase in FY 2016 was the first step of the multi-year increase approved by the Commission in Docket 4550. The levels of consumption used to arrive at the total revenues allowed by the Commission are set forth in the Settlement Agreement to which the Town of Cumberland was a signatory. (See Joint Settlement 2.1) Likewise, the other operating revenues estimated by PWSB that would result from fixed charges (customer service charges, fire protection charges, etc.), as well as all other miscellaneous revenues for FY 2016, are set forth in the Joint Settlement Schedules. The total of all these estimated component revenues in the Joint Settlement Schedules necessarily equal the total projected revenues in FY2016 in the revised Settlement Agreement.

Prepared by: Christopher Woodcock

Cumberland 5-2: What were the levels of consumption and associated projected revenues by customer class (small, medium and large Retail; and Wholesale) used by PWSB to estimate the total revenues that would be produced in FY 2017 by applying the approved rates (second step rates) to those consumption levels? Also for FY 2017 provide a breakdown of all other operating revenues estimated by PWSB that would result from fixed charges (customer service charges, fire protection charges, etc.), as well as all other miscellaneous revenues. The total of all these component revenues should equal the total revenues in FY2017 projected by PWSB as prescribed in the revised Settlement Agreement and any adjustments or additional requirements resulting from the Commission's Decision relative to the Step 2 increase. If they do not, provide the reasons for any differences.

Response: The increase for FY 2017 was the second step of the multi-year increase approved by the Commission in Docket 4550. The base amount for this increase was the FY 2016 revenue requirement approved the Commission, to which increased expenses in FY 2017 were added. (See Joint Settlement Schedule 12.0) Thus, the levels of consumption used to arrive at the total revenues are set forth in the Settlement Agreement to which the Town of Cumberland was a signatory. (See Joint Settlement 2.1) There were no additional "other operating revenues" included in FY 2017. However, the other operating revenues estimated by PWSB for FY 2016 that would result from fixed charges (customer service charges, fire protection charges, etc.), as well as all other miscellaneous revenues, are set forth in the Joint Settlement Schedules. The total of all these estimated component revenues in the Joint Settlement Schedules in the Revised Settlement Agreement necessarily equal the total projected revenues because they did not change from the estimates in FY 2016.

Prepared by: Christopher Woodcock

Cumberland 5-3: What are the levels of consumption and associated projected revenues by customer class (small, medium and large Retail; and Wholesale) that PWSB is using to estimate the total revenues that will be produced in FY 2018 by applying the proposed rates (third step rates) to those consumption levels? Also for FY 2018 provide a breakdown of all other operating revenues that PWSB estimates it will receive from fixed charges (customer service charges, fire protection charges, etc.), as well as all other miscellaneous revenues. The total of all these component revenues should equal the total revenues in FY2018 projected by PWSB as prescribed in the revised Settlement Agreement and any adjustments or additional requirements resulting from the Commission's Decision relative to the Step 2 increase. If they do not, provide the reasons for any differences.

Response: The increase for FY 2018 was the third step of the multi-year increase approved by the Commission in Docket 4550. The base amount for this increase was the FY 2017 revenue requirement approved the Commission in the PWSB's Step Two Compliance Filing and the consumption estimates did not change. Thus, the levels of consumption used to arrive at the total revenues are set forth in the original Revised Settlement Agreement to which the Town of Cumberland was a signatory. (See Joint Settlement 2.1) There were no additional "other operating revenues" included in FY 2018. However, the other operating revenues estimated by PWSB for FY 2016 that would result from fixed charges (customer service charges, fire protection charges, etc.), as well as all other miscellaneous revenues are set forth in the Joint Settlement Schedules. The total of all these estimated component revenues in the Joint Settlement Schedules necessarily equal the total projected revenues in the Revised Settlement Agreement because they did not change from the estimates in FY 2016.

Prepared by: Christopher Woodcock

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Cumberland 5-4: Please provide component and total revenues (in the same breakdown listed for the 3 preceding discovery questions) realized by PWSB in each of the fiscal years inclusive from 2013 through 2016. For FY2016 provide a further breakdown showing the levels of component and total revenues for each of the 4 quarters in FY2016, and the 4th quarter of FY2015.

Response: Please see the attached billed revenues for the periods requested.

Prepared by: Robert Benson

**PWSB
Revenue Summary**

Cumb Schedule 5-4

	FY16 1st Qtr	FY16 2nd Qtr	FY16 3rd Qtr	FY16 4th Qtr	FY15 4th Qtr	FY16 YTD	FY15 YTD	FY14 YTD	FY13 YTD
Small Meters (5/8" - 1")	2,998,690.12	2,585,830.85	2,353,890.38	2,481,984.29	2,455,518.35	10,420,395.64	10,206,796.20	10,020,718.40	10,177,940.24
Large Meters (> 1")	827,760.95	713,794.93	649,769.88	685,129.04	677,823.36	2,876,454.80	2,841,433.56	2,808,886.61	2,724,457.95
Total Metered Sales - Retail	3,826,451.07	3,299,625.78	3,003,660.26	3,167,113.33	3,133,341.71	13,296,850.44	13,048,229.76	12,829,605.01	12,902,398.19
Sales for Resale (75-00)	468,250.01	90,425.90	38,787.38	251,886.95	220,314.80	849,350.24	825,265.28	642,043.68	558,256.52
Total Metered Water Sales	4,294,701.08	3,390,051.68	3,042,447.64	3,419,000.28	3,353,656.51	14,146,200.68	13,873,495.04	13,471,648.69	13,460,654.71
Customer Service (55-00)	765,533.60	782,222.56	794,789.35	803,638.84	765,829.06	3,146,184.35	3,038,886.35	3,038,177.04	3,017,581.37
Private Fire Service (53-00)	168,124.64	169,867.71	171,634.67	173,479.92	165,507.94	683,106.94	653,914.63	650,055.67	642,592.67
Public Fire Protection (54-00)	170,141.88	268,509.66	317,798.55	318,563.43	170,162.39	1,075,013.52	679,114.10	678,925.23	677,755.15
Fire Service Charges	338,266.52	438,377.37	489,433.22	492,043.35	335,670.33	1,758,120.46	1,333,028.73	1,328,980.90	1,320,347.82
Service Installations (52-00)	27,019.28	41,363.24	22,449.46	18,755.02	29,405.98	109,587.00	94,370.38	58,564.56	84,443.36
State Surcharge (79-00)	14,027.42	8,405.56	10,595.44	13,335.07	11,674.12	46,363.49	46,823.01	47,388.20	47,263.91
Delinquent Charges (10-00)	78,099.86	84,875.33	76,420.33	67,519.90	69,602.79	306,915.42	300,296.61	326,339.19	319,770.41
Rental Income - (73-00)	4,017.31	6,979.72	2,287.34	14,510.51	9,184.44	27,794.88	27,248.91	27,226.53	31,392.42
Miscellaneous Income	66,487.07	19,481.90	75,275.33	52,865.76	21,721.14	214,110.06	210,219.54	259,651.28	233,673.23
Total Revenue	5,588,152.14	4,771,757.36	4,513,698.11	4,881,668.73	4,596,744.37	19,755,276.34	18,924,368.57	18,557,976.39	18,515,127.23

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Cumberland 5-5: Please provide component and total revenues (in the same breakdown listed for the 4 preceding discovery questions) realized by PWSB in each of the first 3 quarters of FY2017. Also based on the most recent available data for April and May of this year, provide PWSB's best estimate (using the same breakdown provided for the first 3 quarters of FY2017) of total revenues PWSB expects to receive in the last quarter of FY2017. If that estimate for the 4th quarter of FY2017 is significantly different from the 4th quarter results of FY2015 or FY2016 (provided in response to the prior discovery request), please explain the reasons for such differences in detail.

Response: Please see the attached billed revenues for the periods requested. Also, please note that the final FY17 amounts are subject to year-end adjustments to miscellaneous income and rent income, although these adjustments are not likely to be significant.

Prepared by: Robert Benson

PWSB
Revenue Summary

Cumb Schedule 5-5

	FY17	FY17	FY17	FY17	FY17 YTD
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Small Meters (5/8" - 1")	3,327,067.27	2,628,851.67	2,389,751.95	2,492,199.66	10,837,870.55
Large Meters (> 1")	828,655.46	697,317.88	623,169.87	629,857.57	2,779,000.78
Total Metered Sales - Retail	4,155,722.73	3,326,169.55	3,012,921.82	3,122,057.23	13,616,871.33
Sales for Resale (75-00)	641,486.04	306,353.00	184,681.99	147,368.90	1,279,889.93
Total Metered Water Sales	4,797,208.77	3,632,522.55	3,197,603.81	3,269,426.13	14,896,761.26
Customer Service (55-00)	818,755.02	817,128.49	807,668.02	825,727.47	3,269,279.00
Private Fire Service (53-00)	177,182.35	177,675.15	175,653.44	179,668.21	710,179.15
Public Fire Protection (54-00)	324,618.87	327,096.08	326,416.65	327,947.09	1,306,078.69
Fire Service Charges	501,801.22	504,771.23	502,070.09	507,615.30	2,016,257.84
Service Installations (52-00)	41,416.56	17,232.25	16,435.34	12,113.04	87,197.19
State Surcharge (79-00)	14,153.66	11,340.71	10,409.36	14,329.61	50,233.34
Delinquent Charges (10-00)	69,564.37	75,229.88	70,217.27	63,237.53	278,249.05
Rental Income - (73-00)	5,099.93	6,980.03	7,849.20	8,000.00	27,929.16
<u>Miscellaneous Income</u>	71,434.81	49,416.28	65,049.18	22,600.38	208,500.65
Total Revenue	6,319,434.34	5,114,621.42	4,677,302.27	4,723,049.46	20,834,407.49

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Cumberland 5-6: [Ref. – Mr. Benson's Prefiled Testimony Page 3, lines 14-18] For FY2016 please provide component (by source) and the total cost of PWSB's "debt service obligations." For FY2017 please provide expected component (by source) and the total cost of PWSB's "debt service obligations." Also highlight any changes in sources between FY2016 and FY2017. For FY2018 please provide expected component (by source) and total cost of PWSB's "debt service obligations." Also highlight any changes in sources between FY2017 and FY2018.

Response: Please see attached.

Prepared by: Robert Benson

RB DEBT SCHEDULE

Cumberland 5-6

PAWTUCKET WATER SUPPLY BOARD
Debt Service Requirement/Balance Projections
updated as of April 19, 2017

	<u>ACTUAL PAID</u>		
	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
<u>Grant Income - Debt forgiveness</u>	77,213.91	79,106.07	145,029.89
<u>Long Term Debt Service Commitments</u>			
<u>Debt Service Sinking Fund deposits</u>			
RICWFA 2003A&B Principal	2,000.00	THIS DEBT WAS REFUNDED BY SERIES 2015B ON 12/18/2015	
RICWFA 2015 Refunding Principal	-	1,000.00	1,000.00
TOTAL SINKING FUND PAYMENTS RICWFA BONDS	2,000.00	1,000.00	1,000.00
<u>Debt Service Principal Payments</u>			
RICWFA Series 2004A Principal - DUE 9/1/2024	2,248,000.00	2,316,000.00	2,388,000.00
RICWFA Series 2005A Principal - DUE 9/1/2027	1,430,000.00	1,477,000.00	1,526,000.00
RICWFA Series 2009A Principal - DUE 9/1/2030	239,000.00	246,000.00	254,000.00
RICWFA 2011 Direct Loan Principal - DUE 9/1/31	303,000.00	308,000.00	315,000.00
RICWFA Series 2012A Principal - DUE 9/1/32	79,000.00	81,000.00	82,000.00
RICWFA Series 2013A Principal - DUE 9/1/34	349,000.00	352,000.00	357,000.00
RICWFA Series 2015A Principal - DUE 9/1/34	1,000.00	1,000.00	264,000.00
RIIB 2015B Refunding Principal - DUE 9/1/35	-	-	-
RIIB Series 2016A Principal - DUE 9/1/35	-	1,000.00	203,000.00
			<i>new issue dated 8/6/2015</i>
			<i>new issue dated 12/18/2015</i>
			<i>new issue dated 1/27/2016</i>
TOTAL PRINCIPAL RICWFA BONDS	4,651,000.00	4,783,000.00	5,390,000.00
<u>Debt Service Interest Payments</u>			
RICWFA Series 2003A&B Interest	713,150.00	THIS DEBT WAS REFUNDED BY SERIES 2015B ON 12/18/2015	
RICWFA Series 2004A Interest	722,515.60	664,195.20	602,088.00
RICWFA Series 2005A Interest	690,169.40	649,390.50	606,290.10
RICWFA Series 2009A Interest	124,085.82	119,240.34	113,871.02
RICWFA 2011 Direct Loan Interest	198,008.30	193,376.10	187,809.55
RICWFA Series 2012A Interest	45,199.46	44,247.00	43,098.13
RICWFA Series 2013A Interest	180,261.96	178,095.37	175,351.27
RICWFA Series 2015A Interest	37,011.82	109,879.39	116,909.86
RIIB 2015B Refunding Interest	289,589.15	1,012,156.26	1,012,156.26
RIIB Series 2016A Interest	804.95	50,857.07	92,106.77
			<i>new issue dated 8/6/2015</i>
			<i>new issue dated 12/18/2015</i>
			<i>new issue dated 1/27/2016</i>
TOTAL INTEREST RICWFA BONDS	3,000,796.46	3,021,437.23	2,949,680.96
TOTAL PRINCIPAL & INTEREST RICWFA BONDS	7,651,796.46	7,804,437.23	8,339,680.96
<u>Agency Service Fee Payments</u>			
RICWFA Series 2003A&B Service Fee	8,435.94	THIS DEBT WAS REFUNDED BY SERIES 2015B ON 12/18/2015	
RICWFA Series 2004A Service Fee	124,630.02	113,220.00	101,460.00
RICWFA Series 2005A Service Fee	111,415.00	104,147.52	96,640.00
RICWFA Series 2009A Service Fee	18,861.26	17,930.01	16,969.95
RICWFA 2011 Direct Loan Service Fee	32,277.52	30,750.00	29,192.48
RICWFA Series 2012A Service Fee	8,577.42	8,187.42	7,790.11
RICWFA Series 2013A Service Fee	39,940.22	38,283.15	36,611.21
RICWFA Series 2015A Agency Fee	7,392.78	21,902.22	22,959.04
RIIB 2015B Refunding Agency Fee	3,075.25	15,165.31	15,164.69
RIIB Series 2016A Agency Fee	191.65	12,108.78	21,636.64
			<i>new issue dated 8/6/2015</i>
			<i>new issue dated 12/18/2015</i>
			<i>new issue dated 1/27/2016</i>
TOTAL AGENCY SERVICE FEES RICWFA BONDS	354,797.06	361,694.41	348,424.12
<u>City GO Bonds</u>			
2010 Refunding due 7/1/2018 Original \$336,651			
Principal Payment	39,999.55	39,962.34	41,474.43
Interest Payment	4,830.20	3,509.24	2,141.10
2014 Refunding due 7/1/2021 Original \$385,000			
Principal Payment	17,877.98	17,617.14	16,772.02
Interest Payment	3,485.74	3,045.41	2,532.30
TOTAL PRINCIPAL & INTEREST CITY G/O BONDS	66,193.47	64,134.13	62,919.85
TOTAL DEBT SERVICE PAYMENTS	8,072,786.99	8,230,265.77	8,751,024.93

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Cumberland 5-7: Assuming the Commission decides not to allow an increase in the Rate Stabilization Fund in FY2018 to a full 3.0% of Revenues, but instead reduces the percentage of Revenues to 2.0%, by how much would PWSB's expected increase of \$335,130 be reduced by? Again, assuming the Commission decides not to allow an increase in the Rate Stabilization Fund in FY2018 to a full 3.0% of Revenues, but instead reduces the percentage of Revenues to 2.5%, by how much would PWSB's expected increase of \$335,130 be reduced by?

Objection : The PWSB objects to this data request the extent it is premised on a faulty and hypothetical assumption. In Docket 4550, the PWSB submitted a multi-year plan that included a Revenue Stabilization Fund equal to 3% of total allowed expenses. The parties in Docket 4550 – including the Town of Cumberland – signed a Settlement Agreement that included a 3% Revenue Stabilization Fund beginning in FY 2018. The Commission approved the Settlement Agreement and thus already approved the 3% Revenue Stabilization Fund for FY 2018. Thus, pursuant to RIGL §39-15.1-4, the 3% Revenue Stabilization Fund included in the PWSB's proposed Step Three Increase for FY 2018 is neither unreasonable, nor inconsistent with the multi-year rate plan set forth in the Settlement Agreement and approved by the Commission. Without waving this objection, the PWSB responds herein below.

Objection by: Joseph A. Keough Jr., Esquire

Response: If the Revenue Stabilization Fund were 2.0% of expenses rather than 3.0%, the increase to the Revenue Stabilization Fund would be reduced by 1/3. If the Revenue Stabilization Fund were 2.5% of expenses rather than 3.0%, the expected increase to the Revenue Stabilization Fund would be reduced by 1/6.

Prepared by: Christopher Woodcock

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CERTIFICATION

I hereby certify that on June 12, 2017, 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.

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