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August 4, 2015

Ms. Luly Massaro, Clerk  
Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

***Re: Pawtucket Water Supply Board, General Rate Filing  
Docket No. 4550***

Dear Luly:

Enclosed please find an original and nine (9) copies of the following document:

1. The Pawtucket Water Supply Board's Responses to the Rhode Island Public Utilities Commission's First Set of Data Requests.

Please note that an electronic copy of this document has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

JAK/kf  
Enclosures  
cc: Karen Lyons, Esquire

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
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**Comm. 1-1:** The Notice of Proposed Changes in Rates, second paragraph, refers to a two-step increase (paragraph 2) and then proceeds to describe a three step increases. Does the Notice contain any errors which the Board wishes to correct? If so, please file a corrected Notice.

**Response:** Yes, the Notice to the Commission contains the error cited in the question. Attached please find a revised Notice of Proposed Change In Rates. Please note that while the original Notice did contain the error cited in the question, this was not the Notice published in the Providence Journal or sent to the PWSB's customers.

**Prepared by:** James DeCelles with assistance from legal counsel, Joseph A. Keough Jr., Esquire

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: PAWTUCKET WATER SUPPLY BOARD**

**DOCKET NO: 4550**

**REVISED NOTICE OF PROPOSED CHANGES IN RATES**

In accordance with Section 2.3A of the Rules of Practice and Procedure for the Public Utilities Commission and R.I.G.L. §39-3-11, the Pawtucket Water Supply Board hereby gives notice of its proposed changes in rates. Said changes are contained in the written testimony and exhibits attached hereto and incorporated herein.

In its filing, the PWSB seeks to implement a multi-year rate plan through a three step increase pursuant to R.I.G.L. § 39-15.1-4. In the first step of the increase, the PWSB's proposed rates are designed to collect additional operating revenue in the amount of \$2,288,131 to support total operating revenue requirements of \$20,577,182. The new rates supporting this increase are proposed to become effective on March 6, 2015.

In the second step of the increase, proposed to take effect on July 1, 2016, the PWSB's proposed rates are designed to collect additional operating revenue in the amount of \$1,736,208 to support total operating revenue requirements of \$22,313,390.

In the third step of the increase, proposed to take effect on July 1, 2017, the PWSB's proposed rates are designed to collect additional operating revenue in the amount of \$674,498 to support total operating revenue requirements of \$22,987,888.

Additionally, the Pawtucket Water Supply Board respectfully represents that:

- (1) The Pawtucket Water Supply Board is a municipal board authorized by the City

Charter of the City of Pawtucket, Rhode Island with its principal place of business at 85 Branch Street, Pawtucket, Rhode Island;

- (2) Correspondence should be addressed to James L. DeCelles, P.E., Chief Engineer, Pawtucket Water Supply Board, 85 Branch Street, Pawtucket, Rhode Island 02860 and to Joseph A. Keough, Jr., 41 Mendon Avenue, Pawtucket, Rhode Island 02861;
- (3) In accordance with the appropriate Rules and Regulations pursuant to R.I.G.L. §39-3-11, the accompanying documents contain data, information and testimony in support of said request;
- (4) Submitted heretofore are documents and statements in conformance with R.I.G.L. §39-3-12.1;
- (5) Attached hereto is information required by §1.5 and Part II of the Rules of Practice and Procedure for the Rhode Island Public Utilities Commission.

PAWTUCKET WATER SUPPLY BOARD

By its attorney,



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Joseph A. Keough, Jr.  
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Pawtucket, RI 02861  
(401) 724-3600 (phone)  
(401) 724-9909 (fax)  
jkeoughjr@keoughsweeney.com

#### **CERTIFICATION**

I, the undersigned, hereby certify that a true copy of the within was delivered in hand to the Public Utilities Commission, 89 Jefferson Boulevard, RI 02888 and mailed to the Department of Attorney General, 150 South Main Street, Providence, RI 02903 via first class mail on the 4<sup>th</sup> day of August, 2015.



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**COMM. 1-2:** Christopher Woodcock, page 18, line 8 and Schedule 12 (Christopher Woodcock). The percentage increases are provided for FY2017 and FY2018. Identify the schedule and/or page number which reflects the percentage increase for the first step or the rate year (FY2016)?

**Response:** Please see:

- Schedule 9 for percentage increase to various customers
- Schedule 10 (bottom of schedule) for overall percentage increase

**Witness:** C. Woodcock

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**COMM. 1-3:** Provide in one schedule the proposed revenue requirements, the step increases (dollar amount and percentage) and the effective dates of the step increases for FY2016, FY2017 and FY2018.

**Response:** Please see attached.

**Prepared by:** C. Woodcock

**SUMMARY OF COST OF SERVICE****Response to COMM 1-3**

		<u>Rate Yr - Effect. Date: upon approval</u>			<u>Step 1 - Effective 7/1/16</u>			<u>Step 2 - Effective 7/1/17</u>		
		<u>Amount</u>	<u>\$ Incr</u>	<u>% Incr</u>	<u>Amount</u>	<u>\$ Incr</u>	<u>% Incr</u>	<u>Amount</u>	<u>\$ Incr</u>	<u>% Incr</u>
<b>Revenues</b>										
Service Charges		\$3,164,229	\$170,135	5.7%	\$3,379,420	\$215,191	6.8%	\$3,514,166	\$134,746	4.0%
Metered Rates		\$14,754,005	\$917,700	6.6%	\$15,757,384	\$1,003,380	6.8%	\$16,385,671	\$628,287	4.0%
Fire Protection		\$1,896,287	\$553,258	41.2%	\$2,025,248	\$128,961	6.8%	\$2,106,000	\$80,752	4.0%
Miscellaneous		<u>\$685,488</u>	<u>\$26,442</u>	4.0%	<u>\$732,106</u>	<u>\$46,618</u>	6.8%	<u>\$761,297</u>	<u>\$29,191</u>	4.0%
<i>Total Revenue</i>		\$20,500,008	\$1,667,535	8.9%	\$21,894,158	\$1,394,150	6.8%	22,767,134	872,976	4.0%
<b>Expenses</b>										
<u>O&amp;M</u>										
	Total O&M	\$9,153,096	\$656,672	7.7%	\$9,400,643	\$247,547	2.7%	9,655,075	\$254,432	2.7%
<u>Capital</u>										
	Property Taxes	\$759,618	-\$162,210	-17.6%	\$711,251	-\$48,368	-6.4%	713,094	\$1,843	0.3%
	Principal, Interest & RICWFA Fees *	\$7,764,193	\$0	0.0%	\$8,938,610	\$1,174,417	15.1%	9,196,508	\$257,898	2.9%
	Leases	\$0	\$0		\$0	\$0		0	\$0	
	IFR	\$2,500,000	\$0	0.0%	\$2,500,000	\$0	0.0%	2,500,000	\$0	0.0%
	Trustee Fees	\$31,000	\$4,121	15.3%	\$31,000	\$0	0.0%	31,000	\$0	0.0%
	O&M Reserve Deposit	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>		<u>0</u>	<u>\$0</u>	
	Total Capital	\$11,054,811	-\$158,089	-1.4%	\$12,180,860	\$1,126,049	10.2%	\$12,440,602	\$259,742	2.1%
<u>Operating Revenue Allowance</u>		<u>\$292,836</u>	<u>\$292,836</u>		<u>\$313,440</u>	\$20,604	7.0%	<u>672,274</u>	\$358,833	114.5%
	<i>Total Expenses</i>	\$20,500,744	\$791,419	4.0%	\$21,894,943	\$1,394,200	6.8%	\$22,767,950	\$873,007	4.0%

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**COMM. 1-4:** Christopher Woodcock, Page 5, line 6, refers to a table showing a 13% change in labor costs for the period 2011 through 2016 and states, "we are seeking virtually no change in labor costs..." Does the Board consider a 13% change in labor costs to be inconsequential, and if so, why?

**Response:** The testimony on page 5, line 6 referring to "virtually no change in labor costs" refers to the table on the preceding page (page 4) that compared the PWSB's current request with the allowed amounts in Docket No. 4171. It is assumed that the data request reference of a "13% change in labor costs" refers to the chart at the base of page 5 that presents the components of the rate year costs. That chart shows that labor is 13% of the overall costs that that the PWSB sought in the direct testimony filing.

**Prepared by:** C. Woodcock



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**COMM. 1-5:** Christopher Woodcock, page 6, line 27. Identify the long term vacant positions which were eliminated and the associated cost for these positions.

**Response:** Please see the PWSB's response to Cumberland 4-2.

**Prepared by:** C. Woodcock and R. Benson

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**COMM. 1-6:** Christopher Woodcock, Schedules 3.0 through 3.4. Explain the meaning of the following terms: Max. Day, Peak Hour, Metering and Billing Direct Fire, as used in these schedules.

**Response:** Quoting from the AWWA M1 Manual:

"Base costs are costs that tend to vary with the total quantity of water used plus those O&M expenses and capital costs associated with service to customers under average load conditions, without the elements of cost incurred to meet water use variations and resulting peaks in demand. Base costs include a portion of O&M expenses of supply, treatment, pumping, and distribution facilities. Base costs also include capital costs related to water plant investment associated with serving customers to the extent required for a constant, or average, annual rate of use.

Extra capacity costs are costs associated with meeting peak demand rate of use requirements in excess of average (base) use and include O&M expenses and capital costs for system capacity beyond that required for average rate of use. These costs may be subdivided into costs necessary to meet maximum day extra demand, maximum hour demand in excess of maximum day demand, or other extra demand criteria (such as the maximum five-day demand) that may be appropriate for a particular utility.

Customer costs comprise those costs associated with serving customers, irrespective of the amount or rate of water use. They include, but are not limited to, meter reading, billing, and customer accounting, customer service, and collecting expense, as well as maintenance and capital costs related to meters and services. In detailed studies, the costs for meter reading and billing and for customer accounting and collecting may be considered one subcomponent; maintenance and capital costs related to customer meters and services may be considered another subcomponent.

Direct fire protection costs are those costs that apply solely to the fire protection function. Usually, such costs are simply those directly related to public fire hydrants and related branch mains and valves.

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Private fire protection direct costs may also be included in this cost category, but accounted for separately from the direct public fire costs. It should be noted that the costs allocated to the direct fire protection cost component are usually only a small part of the total cost of fire protection. As more fully described and illustrated in Chapters III.2 and IV.8, a significant portion of extra capacity costs can be allocated to fire protection in distributing costs to customer classes."

In PWSB's cost of service study, we did break the Customer Costs into a "Metering" component (that includes services as described in the M1 Manual) and a Billing component.

**Prepared by:** C. Woodcock

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**COMM. 1-7:** Christopher Woodcock, Schedules 2.2, 4.1 and 4.2. Explain the term "demand factor" as used in these schedules.

**Response:** As used in Schedule 2.2 (and 2.3 Rebuttal), the demand factors represent the ratio of the maximum day demands for each customer class (or peak hour) to the average day use for the class. If, for example a class of customers has an average daily demand of 1 million gallons, but has a demand of 2 million gallons on its maximum day of use, the maximum day demand factor would be the ratio of 2,000,000 gallons: 1,000,000 gallons or a factor of 2:1 (2.0)

The factors in schedules 4.1 and 4.2 are different from the class demand or peaking factors. In those cases, the demand factors represent the ratios of different demand potentials from different size connections; in effect, they represent the relative rates of flow through different size pipes. Larger size pipes can deliver larger quantities of water in a fire than smaller pipes. The flow capacity is a function of the diameter of the pipe to the 2.63 power. The 2.63 power is from an engineering equation to determine the flow rates in pipes under similar pressure situations. These factors are used in the allocation of fire protection costs to different size services (including hydrants) to reflect the different water demands that different size pipes exert on the system.

**Prepared by:** C. Woodcock

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**Comm. 1-8:** Schedule DGB-8. Define surcharge revenue.

**Response:** The surcharge revenue presented on DGB-8 refers to the administrative portion of Water Quality Protection Charge required by state law for water utilities bill for all water sales, which includes an exemption for usage by senior citizens. The surcharge is divided into three parts. Two of these parts billed at \$0.01054 per hundred gallons and \$0.01664 per hundred gallons are collected and remitted to the Water Resources Board (WRB) -Corporate and Water Resources Board. The third part of the surcharge allows for the utility to bill and retain a fee of \$0.00202 per hundred gallons to the water cover the administrative cost of collecting and remitting the water quality protection charge.

**Prepared by:** D. Bebyn

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**COMM. 1-9:** Christopher Woodcock, page 16, line 19.

- a) What is the line item expense for public fire hydrants for FY 2016, FY2017 and FY2018?
- b) Is the Board proposing to allocate this expense uniformly to all customers?

**Response:** The referenced testimony is not referring to a particular line item, but to the full cost of providing public fire service through the public fire service charge. For FY 2016, this is shown on Woodcock Sch. 4.1. There is no specific amount for the step increases as these increases just reflect the overall increases in costs shown on Woodcock Sch. 12.

The cost of public fire protection is allocated uniformly to all public fire hydrants. For customers outside the City of Pawtucket it is collected as a charge per hydrant. In Pawtucket, the City elected to not pay these charges pursuant to RIGL § 45-39-4 (as approved by the Commission in Docket 4300). Thus, the PWSB instead collects the amount that would otherwise be collected directly from the City of Pawtucket through a public fire protection charge to all customers located in the City of Pawtucket.

**Prepared by:** C. Woodcock

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**COMM. 1-10:** Christopher Woodcock, Schedules 4.2 and 4.3. The number of public hydrants is 1,917 in Schedule 4.2, 1,515 in Schedule 4.3 and 1,920 in the Maintenance Policy. Which is the correct number of public fire hydrants in the Board's service territory?.

**Response:** The correct number of hydrants is 1,917 as shown on Woodcock Sch. 4.2. The 1,515 hydrants are those inside the City of Pawtucket (See Woodcock Sch. 2.0). The 1,920 reported in the Maintenance policy is an older number and does not reflect the current number of public hydrants

**Prepared by:** C. Woodcock

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**COMM. 1-11:** James DeCelles, page 4, line 13. Provide the dollar amount of police detail expenses paid by the Board to the city of Central Falls in FY2012 through FY 2015.

**Response:** Please see Comm. 1-11, 12 and 13 Attachment.

**Prepared by:** R. Benson



## PWSB

### Schedule CF POLICE DETAILS

**COMM 1-11** Provide the dollar amount of police detail expenses paid to CF from FY12-15

**COMM 1-13** Provide a side-by-side comparison of police detail expenses paid to other municipalities from FY12 - FY15

	Central Falls	Cumberland	Pawtucket	North Providence	Lincoln	TOTAL
MR-6 Contract		7,748	171,147			178,895
Emergency Repairs	51,135	19,391	37,190	-	-	107,716
<b>FY12</b>	51,135	27,139	208,337	-	-	286,611
MR-6 Contract		1,309	21,004			22,313
MR-7 Contract			197,269			197,269
Emergency Repairs	98,350	10,798	17,754	-	-	126,902
<b>FY13</b>	98,350	12,107	236,027	-	-	346,484
MR-7 Contract			28,925			28,925
MR-8 Contract	219,775	10,035	89,534			319,344
Emergency Repairs	46,390	23,175	15,687	-	-	85,252
<b>FY14</b>	266,165	33,210	134,146	-	-	433,521
MR-8 Contract	7,180	11,100	41,430	1,724	3,501	64,935
MR-9 Contract	75,820	12,875	30,572			119,267
Construction Contracts						-
Emergency Repairs	39,125	13,520	21,297	-	-	73,942
<b>FY15</b>	39,125	37,495	93,298	1,724	3,501	258,143

**COMM 1-12** What is the Projected Detail Expenses to be paid to Central Falls for FY16 through FY18

MR-10 Contract	135,697
Emergency Repairs	46,390
<b>FY16</b>	182,087
CL-6 Contract	20,670
MR-10 Contract	15,077
Emergency Repairs	46,390
<b>FY17</b>	61,467
CL-6 Contract	NONE
Emergency Repairs	46,390
<b>FY18</b>	46,390

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**COMM. 1-12:** James DeCelles, page 4, line 13. What is the projected amount of police detail expense that will be paid by the Board to the city of Central Falls in FY2016 through FY2018?

**Response:** Please see Comm. 1-11, 12 and 13 Attachment.

**Prepared by:** R. Benson

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**COMM 1-13:** James DeCelles, page 4, line 13. For FY2012 through FY 2015, provide a side-by-side comparison of police detail expenses paid to the city of Central Falls versus police detail expenses paid to other municipalities served by the Board.

**Response:** Please see Comm. 1-11, 12 and 13 Attachment.

**Prepared by:** R. Benson

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**COMM 1-14:** Provide red-lined tariff schedules reflecting all of the edits proposed by the Board in tariff schedules A through G.

**Response:** Attached please find a red line tariff that was submitted to the Commission on February 23, 2015.

**Prepared by:** R. Benson

# **PAWTUCKET WATER SUPPLY BOARD**

## **TARIFF SCHEDULES**

Effective: ~~January 1, 2011~~ March 6, 2015

PAWTUCKET WATER SUPPLY BOARD  
85 BRANCH STREET  
PAWTUCKET, RHODE ISLAND 02860

# PAWTUCKET WATER SUPPLY BOARD

## TARIFF SCHEDULES

Replaces Tariff: ~~October 1, 2008~~January 1, 2012

Docket No. ~~4171~~ 4550

Public Utilities

Effective: ~~January 1, 2011~~March 6, 2015

### TARIFF SCHEDULES

#### Schedule

- A Bulk Sales for Resale
- B Public Fire Protection
- C Private Fire Protection
- D Customer Service Charge
- E Metered Sales
- F Miscellaneous Charges
- G Penalty for Late Payment of Water Bill

# SCHEDULE A

## PAWTUCKET WATER SUPPLY BOARD

### Bulk Sales to Public Suppliers

### for Resale

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4550

Effective: ~~January 1, 2011~~ March 6, 2015

#### Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for bulk water sales for resale to public water suppliers.

#### Rates

For each Hundred Cubic Foot: ~~\$2.726~~ \$3.378

For each Thousand Gallons \$4.617

For each Million Gallons \$4,617.05

or such other pricing as the PWSB is either bound to by existing contract or may negotiate with an individual municipal supplier.

#### Terms of Payment

All bills for bulk sales for resale to public water authorities furnished under this schedule are due and payable in full when rendered.

## SCHEDULE B

### PAWTUCKET WATER SUPPLY BOARD

#### Public Fire Protection

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4550

Effective: ~~January 1, 2012~~ March 6, 2015

#### Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for service to public fire hydrants.

#### Rates

	<u>Per Annum</u>	<u>Monthly</u>
For each Hydrant	<del>\$354.11</del> <u>708.84</u>	<u>\$ 59.07</u>

All public meters which are not 6 inch hydrants pay the private fire protection rates. See Schedule C of this tariff for the rates.

~~For each hydrant in the City of Pawtucket, as allowed by RIGL § 39-3-11, ————— \$0.00~~

In addition, a monthly Public Fire Protection Service Charge per meter, will be charged to customers in the City of Pawtucket effective January 1, 2012

Effective: March 6, 2015                      \$ 5.14 per month

#### Terms of Payment

All bills for public fire protection service furnished under this schedule are rendered ~~annually~~ monthly in advance and are due and payable in full when rendered.



# SCHEDULE C

## PAWTUCKET WATER SUPPLY BOARD

### Private Fire Protection

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4550

Effective: ~~January 1, 2011~~ March 6, 2015

#### Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for service to private fire protection appliances owned and maintained by the customer based upon the size of the connection to the premises measured at the street.

	<u>Per Annum</u>	<u>Per Quarter</u>	<u>Per Month</u>
For each 2 inch connection <u>12</u>	\$ <del>201.06</del> <u>205.39</u>	\$ <del>50.27</del> <u>68.46</u>	\$ <del>16.76</del> <u>17.</u>
For each 4 inch connection <u>37.83</u>	\$ <del>428.09</del> <u>454.01</u>	\$ <del>107.02</del> <u>151.34</u>	\$ <del>35.67</del>
For each 6 inch connection <u>95.89</u>	\$ <del>1,070.54</del> <u>1,147.03</u>	\$ <del>267.64</del> <u>382.34</u>	\$ <del>89.21</del>
For each 8 inch connection <u>175.12</u>	\$ <del>1,940.63</del> <u>2,101.49</u>	\$ <del>485.16</del> <u>700.50</u>	\$ <del>161.72</del>
For each 10 inch connection <u>263.68</u>	\$ <del>2,880.80</del> <u>3,164.13</u>	\$ <del>720.20</del> <u>1,054.71</u>	\$ <del>240.07</del>
For each 12 inch connection <u>386.41</u>	\$ <del>4,183.85</del> <u>4,636.92</u>	\$ <del>1,045.96</del> <u>1,545.64</u>	\$ <del>348.65</del>

Unmetered fire hydrants will be charged as six-inch connections. No additional charge will be made for fire protection appliances owned and maintained by the customers.

#### Terms of Payment

All bills for private fire protection service furnished under this schedule are rendered annually, quarterly or monthly in arrears and are due and payable in full when rendered. Water use through fire services for the purposes other than fire protection shall be billed in arrears at the same rate per hundred cubic feet as the small class in Schedule E.

Fire services are equipped with a detector check valve furnished by the owner, and a by-pass meter purchased by the owner from the Pawtucket Water Supply Board.

Detector Check Size

By-Pass Meter Size

4 inch	3/4 or 1 inch
6 inch	1 1/2 inch
8 inch	2 inch
10 inch	3 inch
12 inch	4 inch

# SCHEDULE D

## PAWTUCKET WATER SUPPLY BOARD

### Customer Service Charge

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4550

Effective: ~~January 1, 2012~~ March 6, 2015

#### Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for residential, commercial and industrial users, exclusive of fire service connections.

#### Rates

For each service connected to the Pawtucket Water Supply Board's mains, the following quarterly and monthly minimum customer service charges shall apply:

Size of Meter	<del>Quarterly Customer Charge</del>	Monthly Customer Charge
5/8 inch	<del>\$ 25.37</del>	\$ <del>10.00</del> <u>10.47</u>
3/4 inch	<del>\$ 34.26</del>	\$ <del>12.96</del> <u>13.65</u>
1 inch	<del>\$ 48.42</del>	\$ <del>17.68</del> <u>18.73</u>
1-1/2 inch	<del>\$ 96.17</del>	\$ <del>33.60</del> <u>35.85</u>
2 inch	<del>\$ 124.16</del>	\$ <del>42.93</del> <u>45.89</u>
3 inch	<del>\$ 140.63</del>	\$ <del>48.42</del> <u>51.79</u>
4 inch	<del>\$ 325.04</del>	\$ <del>109.89</del> <u>117.92</u>
6 inch	<del>\$ 486.40</del>	\$ <del>163.68</del> <u>175.78</u>
8 inch	<del>\$ 693.86</del>	\$ <del>232.83</del> <u>250.17</u>

In addition, a monthly Public Fire Protection Service Charge ~~of \$2.57 per month~~, per meter, will be charged to customers in the City of Pawtucket effective January 1, 2012.

Effective: March 6, 2015      \$ 5.14

#### Terms of Payment

All customer service charges billed under this schedule are rendered on ~~a quarterly or~~ monthly basis and in arrears and are due and payable in full when rendered.

**SCHEDULE E**  
**PAWTUCKET WATER SUPPLY BOARD**  
**Metered Sales**

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4550

Effective: ~~January 1, 2011~~ March 6, 2015

Applicability

General metered water service in the entire territory served by the Pawtucket Water Supply Board.

Rates

For all quantities used except for private fire protection and bulk sales to public authorities for resale, the following rates shall apply:

<u>Class (meter size)</u>	<u>Rate per HCF</u> <u>(Hundred Cubic Feet)</u>
Small (5/8" – 1")	\$ <del>3.900</del> <u>4.270</u>
Medium (1.5" – 2")	\$ <del>3.489</del> <u>3.881</u>
Large (3" and up)	\$ <del>3.286</del> <u>3.673</u>

Terms of Payment

All metered sales bills under this schedule are rendered on a ~~quarterly or~~ monthly basis, in arrears and are due and payable in full when rendered.

# SCHEDULE F

## PAWTUCKET WATER SUPPLY BOARD

### Miscellaneous Charges

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4550

Effective: ~~January 1, 2011~~ March 6, 2015

#### Meter Service Charge

Applicable to all meters requiring repair due to freezing, hot water, vandalism, tampering, or other action or inaction of the premises owner to properly protect the meter. In addition, parts and labor will be billed at actual cost. Charges are payable when billed.

<u>Meter size and type</u>	<u>Meter Service Charge</u>
5/8" to 2" – all types	\$ <del>76.00</del> <u>100.00</u>
Over 2"	Customer's responsibility

#### Meter Test Charge

Meter testing for all meter over 2" is the responsibility of the customer.

The meter test charge for all meters up to 2" in size will be at PWSB's cost.

When a tested meter up to 2" in size has been deemed accurate the ~~The~~ meter test charge be ~~bill~~ charged to the customer's account and is payable in full when billed.

#### Photocopying

Distribution sheet	\$3.00 per page
Letter or legal size document	\$0.15 per page

#### Pavement/Sidewalk Restoration

At actual cost.

#### Police Details

Traffic control required for public safety will be at the hourly detail rate of the local police department.

# **SCHEDULE F (continued)**

## **PAWTUCKET WATER SUPPLY BOARD**

### **Miscellaneous Charges**

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4500

Effective: ~~January 1, 2011~~ March 6, 2015

#### **Service Termination Charges**

Applicable to all customers whose service has been terminated due to delinquent account status or violations of the Rules and Regulations of the Pawtucket Water Supply Board. Payable in advance before service is restored.

Service Shutoff Fee: ~~\$64.00~~ \$100.00 per occurrence

Service Restoration Fee: ~~\$43.00~~ \$100.00 per occurrence

#### **Meter Tampering Charge:**

Charge: \$ 500.00 plus a meter service charge and the cost of parts to install a new meter.

These charges are payable in full when billed.

#### **Application Charge**

Not Applicable

#### **Returned Check Fee:**

Charge: \$ 20.00

#### **Lien Certificate Fee:**

Charge: \$ 20.00 per occurrence

#### **Fire Hydrant Flow Test**

Charge: \$150.00

#### **Temporary Construction Service**

Service applications will be completed and returned to the Pawtucket Water Supply Board, 85 Branch Street, Pawtucket, RI 02860, during normal business hours.

- a. Advance payment will be made at the time of application. This payment will include an application/service charge of six months duration; a deposit on the meter and connection; and a deposit on the estimated cost of the water to be used. Please consult the instructions on the back of the application and/or the Rules and Regulations of the PWSB for further details.
- b. Water Charges are as follows:

<u>Meter Size</u>	<u>Material Deposit</u>	<u>6 month AP. Service Charge</u>	<u>Water Deposit</u>	<u>TOTAL</u>
5/8"	\$ 100.00	\$ 27.90	\$ 272.04	\$ 400.00
2"	\$ 800.00	\$ 155.58	\$ 544.42	\$ 1,500.00

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**SCHEDULE F (continued)**  
**PAWTUCKET WATER SUPPLY BOARD**  
**Miscellaneous Charges**

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4500

Effective: ~~January 1, 2011~~ March 6, 2015

**Swimming Pools**

Not Applicable.

**Tank Truck – Bulk Sales**

Tank trucks must be filled using an air-gap separation to assure the prevention of the backflow from the truck to the water system. The consumer will pay a service charge (Tank Truck filling Permit) of \$50.00 per day, plus the cost of the water used at the prevailing rate, plus the cost of PWSB labor if required. The customer will use a hydrant meter to document the volume of the truck.

**Main Extensions**

An engineering fee, sampling/testing charge will be assessed prior to approval of construction.

The engineering inspection fee is \$250.00 per day.

The charge for sampling and testing shall be \$85.00 for each segment of pipe to be tested, and shall be paid prior to the start of construction.

A deposit is required as security for the faithful performance of the contract work. This deposit may be used to complete the installation or correct any defects in the event that the contractor fails to do so in a timely manner. This refundable deposit is due prior to commencement of construction and shall be held for a period of one year following acceptance of the main extension. The amount of the deposit is based on the length of the main extension as follows:

<b><u>Main Length</u></b>	<b><u>Deposit Fee</u></b>
0 – 150 linear feet	\$ 2,000.00
151 – 300 linear feet	\$ 4,000.00
301 – 450 linear feet	\$ 6,000.00 *
Over 450 linear feet	\$ 8,000.00 *



\*A performance bond in the amount of \$20,000 may be substituted for the deposit fee upon prior approval of the PWSB.

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**SCHEDULE F (continued)**  
**PAWTUCKET WATER SUPPLY BOARD**  
**Miscellaneous Charges**

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4500

Effective: ~~January 1, 2011~~ March 6, 2015

**Service Installation Charges**

The charges for service installations are to be paid at the time of application for a new water service installation or for connection to a vacant lot service or abandoned water service.

The cost of road patching, sidewalk patching, and engineering/inspection, must be added to the basic service installation charges as set forth herein.

All installation charges are to be computed by the Engineering Section of the Pawtucket Water Supply Board.

**NEW WATER SERVICE INSTALLATION FEES**

<u>Service Size</u>	<u>Fee</u>
1" Service	<del>\$1,752.00</del> <u>1,973.00</u>
2" Service	<del>\$2,621.00</del> <u>3,095.00</u>
4" Service	<del>\$2,855.00</del> <u>3,433.00</u>
6" Service	<del>\$3,107.00</del> <u>3,705.00</u>
8" Service	<del>\$3,517.00</del> <u>4,324.00</u>
10" Service	<del>\$4,895.00</del> <u>5,541.00</u>

The basic installation fee for services greater than 10 inch in size shall be charged on a time and materials basis consistent with the methodology used in computing the above basic installation fees.

Special circumstances – Any new water service installation sites where special circumstances may be encountered (i.e. ledge, special fittings, routing around other utilities, repair of traffic control devices) will be charged on a time and materials basis.

In addition to the basic installation fee and any costs related to special circumstances, the applicant shall be responsible for charges associated with the following:

**SCHEDULE F (continued)**  
**PAWTUCKET WATER SUPPLY BOARD**

**Miscellaneous Charges**

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~

Effective: ~~January 1, 2011~~ March 6, 2015

1. All road and/or sidewalk restoration costs
2. Uniformed police officers for traffic control required for public safety at the current local Police Department rate.
3. The cost of the water meter and meter couplings purchased from the PWSB for meter sizes through 2 inches (meters larger than 2 inch in size shall be purchased, owned, installed and maintained by the applicant/owner
4. "Customer Service Charge" for one full year based on the meter size
5. If the new service is a fire service, the "Annual Fire Service Charge" is based on the size of the fire service connection to the premises measured at the street.
6. The "Road Opening Permit" fee at the current local City of Town rate.

# SCHEDULE G

## PAWTUCKET WATER SUPPLY BOARD

### Penalty for Late Penalty of Water Bills

Rhode Island Public Utilities Commission

Public Utilities Docket No. ~~4171~~ 4500

Effective: ~~January 1, 2011~~ March 6, 2015

#### Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for residential, commercial and industrial users.

#### Rates

Amounts not paid by the DUE DATE will accumulate a penalty of 18% per year (1.5% per month) from the DUE DATE through the PAYMENT DATE.

The DUE DATE is 24 days after the BILLING DATE and ~~is both dates are~~ listed on each billing statement, ~~and the BILLING DATE is the date on which the billing statement was mailed and also is listed on each billing statement.~~ The billing statements are postmarked and mailed no later than five days after the BILLING DATE.

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board

To The Rhode Island Public Utilities Commission's

Data Requests

Set 1

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**COMM 1-15:** The Schedule attached to DIV 2-18 refers to an A-16 electric rate. Does this mean the Board is on an A-16 electric rate? If so, why?

**Response:** The electric account with the A-16 electric rate was electric service to a temporary location for our T&D office. This account was terminated in May 2015 when we completed construction and moved into a permanent location housing our T&D Operations Center.

**Prepared by:** R. Benson

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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**COMM 1-16:** The Schedule attached to DIV 2-18 includes a prior contract between Direct Energy Business and Pawtucket Water Supply Board dated November 17, 2011; however it does contain the effective dates of the contract or the price per kWh. Please provide the full and complete contract between Direct Energy Business and Pawtucket Water Supply Board which pre-dates the existing contract covering the period December 2014 through the meter read(s) December, 2017.

**Response:** See the attached complete copy of the Direct Energy contract with the City of Pawtucket and RI League of Cities and Towns.

**Prepared by:** R. Benson

## COMMERCIAL NATURAL GAS SERVICE AGREEMENT

This COMMERCIAL NATURAL GAS SERVICE AGREEMENT (the "Agreement"), is made effective as of February 14, 2011 (the "Effective Date"), by and between Direct Energy Services, LLC ("Direct Energy") and City of Pawtucket ("Customer"). Direct Energy and Customer are each sometimes individually referred to herein as a "Party" and together as the "Parties."

### SECTION 1: RETAIL SALES AND SERVICES

**1.1 Appointment; Authorization; Scope.** This Agreement establishes the duties, rights and procedures by which the Parties may enter into Transactions under which Direct Energy shall provide natural gas for Customer locations (each a "Location" and collectively the "Locations") to each applicable Account. With respect to each Transaction, Customer agrees to obtain its full natural gas requirements for all Accounts set forth on the Confirmation exclusively from Direct Energy during the applicable Delivery Period. Customer hereby appoints Direct Energy as its exclusive limited agent and authorizes Direct Energy to act as its Provider for the Accounts during the Delivery Period for each Transaction. Customer agrees to execute such documents and cooperate with Direct Energy as necessary to evidence the appointment of Direct Energy as its limited agent and Provider and in the performance of its obligations hereunder. Customer agrees to take the appropriate metered distribution service from the applicable LDC and comply with such LDC's tariff. As Customer's Provider, Direct Energy shall provide all the services required of a Provider including, without limitation, procuring, balancing, transporting, scheduling and delivering or causing to be delivered the natural gas to the Locations during the applicable Delivery Period. Other than those duties specifically set forth in this Agreement, this limited agent and Provider appointment does not impose any other duties on Direct Energy. Direct Energy shall use reasonable efforts to commence service in the start month set forth in the applicable Confirmation; however, Customer acknowledges that the commencement of service hereunder is dependent upon confirmation by the Utility of the completion of all required enrollment processes. Direct Energy shall not be liable for any lost savings or lost opportunity as a result of a delay in service commitment due to actions or inactions by the Utility. Customer agrees that it shall be solely liable for any costs assessed by the Utility or any third party (pursuant to contract or otherwise) as a result of a change in Customer's Provider to Direct Energy and Customer acknowledges that such costs are not included in the Energy Price. Upon the execution of this Agreement by both Parties, this Agreement shall become effective as of the Effective Date and shall continue in effect until the expiration of all applicable Transactions, unless earlier terminated in accordance with the provisions hereof (the "Term").

**1.2 Service after Delivery Periods.** Each Transaction shall terminate at the end of the applicable Delivery Period; however, if, after the end of any applicable Delivery Period, Direct Energy has not dropped Customer and returned Customer to the Utility and Customer has not notified Direct Energy of its desire to obtain service from another natural gas supplier, any natural gas sold hereunder will be priced by Direct Energy at a commercially reasonable market-based rate and billed to Customer until either Party provides thirty (30) days' prior written notice to the other Party of its desire to terminate such arrangement.

### SECTION 2: TRANSACTIONS AND CONFIRMATIONS

**2.1 Transactions; Construction.** The Parties may from time to time enter into Transactions by executing one or more written "Confirmations" which shall include the following applicable terms for such Transaction: (i) Accounts and Locations; (ii) Delivery Period; (iii) Energy Price and other price-related provisions; (iv) Security required; and (v) any other special terms and conditions, if any. Each Transaction shall be governed by this Agreement. The Energy Price will not include any Utility or transmission or distribution costs. Pass-Through Charges shall be passed through to Customer with no additional mark-up. At any time during the Term, there may be one or more Transactions in effect and each shall constitute a separate purchase and sale transaction on the terms and for the Delivery Period and volumes specified in the applicable Confirmation. Any inconsistency based upon the language contained within the primary body of this Agreement and the Confirmation or Special Provisions attached hereto shall be resolved in the following descending order of priority: (i) Confirmation; (ii) Special Provisions (if applicable); and (iii) the primary body of this Agreement. In the event of multiple Transactions being in effect for simultaneous Delivery Periods, the most recently executed Confirmation shall supersede any previous Confirmation with respect to the applicable Location(s), Accounts, dates and volumes covered thereby.

**2.2 Offer for Service; Contract Formation.** From time to time, Direct Energy may send Customer one or more proposed Confirmations reflecting various terms related to the supply of natural gas according to which Customer desires to procure natural gas. Customer's execution and submission of any such confirmation (as executed and submitted, a "Proposed Confirmation") to Direct Energy's appropriate facsimile number shall constitute an offer by Customer to Direct Energy to procure natural gas on the terms therein, which offer shall be deemed accepted by Direct Energy only upon the occurrence of the earlier of (a) Direct Energy notifying Customer in writing of Direct Energy's acceptance of such Proposed Confirmation, or (b) any action by Direct Energy to purchase a physical or financial hedge for all or a portion of the natural gas covered by such Proposed Confirmation. Upon acceptance of a Proposed Confirmation as provided above, the terms thereof shall be binding on the Parties. Inconsistent or additional terms provided by Customer in a Proposed Confirmation shall not become part of this Agreement unless expressly agreed to in writing by Direct Energy.

### SECTION 3: BILLING AND PAYMENT

**3.1 Billing and Payment.** If Customer receives Utility billing, the Utility is responsible for invoicing Customer in accordance with its applicable rules and regulations; if Customer receives dual billing, the Utility is responsible for invoicing Customer for its charges in accordance with its rules and regulations, and, as set forth in this Agreement, Direct Energy shall invoice Customer for natural gas and any applicable charges. To the extent feasible and unless otherwise provided in a Confirmation, Direct Energy shall invoice Customer on an individual Account basis each month. Customer shall remit payment, unless disputed in accordance with Section 3.2 of this Agreement, within twenty (20) days of the invoice date. The invoice amount shall be based on Actual Usage data when available and should include all Pass-Through Charges. If Actual Usage is not available, Direct Energy may use estimated data to calculate Customer's invoice and, upon receipt of Actual Usage data, shall reconcile the charges and adjust them as needed in subsequent invoices. If Customer is exempt from the payment of any Taxes, Customer shall provide Direct Energy with all required exemption documentation. In assessing and collecting Taxes, Direct Energy may be acting solely in an agent capacity on behalf of various taxing authorities; as such, Customer must look to the appropriate taxing authority directly for refunds of any Taxes imposed by such authority. Direct Energy shall not be required to refund or credit any Taxes previously paid by Customer unless the applicable taxing authority sends the refund to Direct Energy and does so prior to any such refund or credit to Customer. Customer agrees to indemnify, defend and hold harmless Direct Energy from and against any and all claims, demands, suits, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) associated with or resulting from any claimed exemption and the payment or non-payment of taxes by Customer.

**3.2 Late Penalties; Interest on Overdue Payments; Invoice Disputes.** Customer payments remitted in response to a Direct Energy invoice will be applied first to arrears (oldest to most recent) and then to current charges. Failure of Customer to pay charges due pursuant to a Direct Energy or Utility invoice may constitute an Event of Default, and grounds for termination, suspension, and/or disconnection of service. If Customer fails to remit all invoiced amounts when due, other than amounts properly disputed in accordance with this Section 3.2, on or before the due date, Direct Energy may assess a monthly late payment fee equal to the lesser of (i) one and one-half percent (1.5%) of the total past due amount or (ii) the maximum rate allowed by applicable law.

Customer may in good faith dispute any portion of an invoice by providing Direct Energy with a written explanation specifying the amount in dispute and the reason for the dispute by the payment due date. Customer shall remit all invoiced and undisputed amounts by the date due. In all cases, the Parties shall use good faith efforts to resolve any dispute. In the event that the Parties are unable to resolve the dispute within ten (10) days of the notice date, either Party may begin legal proceedings to resolve the dispute. Any amounts determined owed, together with interest thereon as provided above, shall be paid within three (3) days of the date on which the dispute is resolved.

#### **SECTION 4: CREDIT**

Direct Energy may request that Customer provide financial information sufficient for Direct Energy to complete a credit review prior to providing service hereunder. If, prior to commencing service or at any time during the Term of this Agreement, Direct Energy has good faith concerns about the creditworthiness of Customer or Customer's ability to perform hereunder, Direct Energy may require that Customer provide reasonable credit assurance(s), in an amount and in a form determined by Direct Energy in a commercially reasonable manner, including but not limited to, an escrow account, deposit, letter of credit, or parental guaranty.

Customer authorizes Direct Energy to obtain and review information regarding Customer's credit history from credit reporting agencies and consumption history, billing determinant and credit information from the Utility, such authorization to remain in effect during the Term and any renewals. Customer may rescind this authorization at any time by providing written notice to Direct Energy or calling 1-888-925-9115, but such rescission shall constitute an Event of Default hereunder.

#### **SECTION 5: LOAD CHANGES**

**5.1 Mutual Acknowledgement.** Direct Energy understands and acknowledges that Customer's business operations may change periodically in significant and/or unforeseen ways, and Customer understands and acknowledges the importance of providing as much advance notification and pertinent information as possible to Direct Energy regarding such changes in its business operations so that Direct Energy can promptly modify its forecast, procurement, scheduling and balancing obligations to help minimize the risk of penalties and additional costs incurred in connection with such changes.

**5.2 Weather-Related Load Changes.** Load Changes resulting from reasonable variations in Customer's actual consumption pattern due to weather are anticipated. Prior notification from Customer regarding such Load Changes is not required.

**5.3 Notification of Other Load Changes.** Customer agrees to timely notify Direct Energy in writing of any anticipated Load Change(s) not caused by weather, and Direct Energy may pass through to Customer any resulting cost increases, charges, fees or penalties by submitting an invoice to Customer, along with a substantiation of such cost increases, charges, fees or penalties, which will be due and payable pursuant to the payment terms of this Agreement.

#### **SECTION 6: FACILITY REMOVAL**

Without limiting Customer's obligation to provide notice of any anticipated consumption changes as described in Section 5, Customer shall give Direct Energy at least thirty (30) days' notice prior to removing Location(s) from service hereunder as a result of ceasing operations at such Location(s) (e.g., closing of the Location(s) or sale of the Location(s) to an unrelated third party). Customer shall be responsible for Actual Damages resulting from any such removals, if any.

#### **SECTION 7: NOTICES AND PAYMENT**

**7.1 General Notice.** Except as otherwise set forth in this Agreement or required by applicable law, all notices to be provided under this Agreement shall be in writing and deemed to have been duly delivered if hand delivered or sent by United States Postal Service, certified or registered mail, return receipt requested, postage prepaid, facsimile, or by overnight delivery service. Notice by facsimile, hand delivery or certified mail shall be effective on the day actually received, notice by overnight United States Postal Service or courier shall be effective on the next business day after it was sent, and notice by standard United States Postal Service shall be effective on the second day after it was sent. Notices to the Parties shall be sent to the applicable address set forth in Section 13.9 of this Agreement. Either Party may change any such address upon notice to the other Party in writing.

**7.2 Payments.** All payments shall be sent to Direct Energy via check to the billing address set forth in the Confirmation, unless Direct Energy, in its sole discretion, agrees that Customer may make payments via wire transfer to the account at the applicable institution set forth in the Confirmation.

#### **SECTION 8: REPRESENTATIONS AND WARRANTIES**

**8.1 Mutual Representations and Warranties.** As a material inducement to entering into this Agreement, each party, with respect to itself, hereby represents and warrants to the other Party as follows: (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform this Agreement; (b) the execution and delivery of this Agreement are within its powers, have been duly authorized by all necessary actions and/or board approvals, and do not violate any of the terms or conditions in its governing documents or any contract to which it is a Party or any law applicable to it; (c) as of the date of service commencement hereunder, it shall have all regulatory authorizations necessary for it to legally perform its operations; (d) this Agreement constitutes a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditors' rights generally and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain same may be pending; (e) there are no bankruptcy, insolvency, reorganization, receivership or other similar proceedings pending or being contemplated by it or, to its knowledge, threatened against it; (f) if a broker has been involved in this transaction, such broker is an agent of Customer in this transaction and may receive a commission to be paid by Direct Energy from payments received from Customer under this Agreement; (g) if it is a property management company acting on behalf of the owner of the Location(s), it has the authority to execute and bind the Location(s) to this Agreement for the Term stated in the Confirmation and that the term of its property management



agreement with the owner of the Location(s) is equal to or greater than the Term of this Agreement; and (h) the Location(s) to be provided the services described herein are not contractually bound by another agreement for natural gas services that will overlap with the Term stated in the Confirmation. Each party covenants that it shall cause its respective representations and warranties to remain true and correct throughout the Term of this Agreement.

**8.2 Business Customer Warranty.** Customer represents and warrants that (i) it is NOT a residential customer and (ii) all Accounts in Rhode Island under this Agreement, including each Transaction, collectively have a load greater than 500 decatherms per year.

## **SECTION 9: LIMITATION OF LIABILITY; FORCE MAJEURE**

**9.1 Limitation of Liability.** EXCEPT WITH RESPECT TO REMEDIES OTHERWISE SPECIFICALLY PROVIDED FOR IN THIS AGREEMENT, LIABILITY IS LIMITED TO ACTUAL DAMAGES AS THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE EXPRESSLY WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR ANY BUSINESS INTERRUPTION DAMAGES.

TO THE MAXIMUM EXTENT POSSIBLE UNDER LAW, ARTICLE 2 OF THE UNIFORM COMMERCIAL CODE SHALL APPLY TO NATURAL GAS SOLD HEREUNDER. DIRECT ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND EXPRESSLY DISCLAIMS AND NEGATES ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**9.2 Force Majeure.** A "Force Majeure Event," as such term is used in this Agreement means any "Act of God" or other unexpected and disruptive event beyond the reasonable control of either Party that interferes with its ability to perform its obligations under this Agreement, except for the obligation to pay monies due. Any Party which is unable to perform its obligations hereunder as a result of a Force Majeure event shall provide written notice to the other Party of the existence of such event and exercise due diligence to remove such event with all reasonable dispatch, but shall in no event be required to incur any commercially unreasonable expense in doing so. It is expressly understood by the Parties that the ability of Direct Energy to sell the products or services provided hereunder at a price greater than the Price paid by Buyer shall not constitute an event of Force Majeure. Conversely, the ability of Buyer to purchase the products or services provided hereunder for an amount less than the Price shall not constitute an event of Force Majeure. Buyer acknowledges that Direct Energy will not be liable for any damages associated with inability to access the Utility or non-performance by the Utility, each of which shall constitute a Force Majeure Event as to Direct Energy, except to the extent resulting directly from Direct Energy's actions or inactions.

## **SECTION 10: CONFIDENTIALITY**

Neither Party will disclose the terms of this Agreement or any information of the other Party it knows or reasonably should know to be confidential information (other than to its representatives who have agreed to keep such terms confidential) except when disclosure may be required by law, is required to carry out the terms of this Agreement or with the disclosing Party's prior written consent. If disclosure is required by law, the disclosing Party will provide reasonable notice to the other Party prior to making such disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. This provision shall survive the termination of this Agreement for a period of two (2) years.

## **SECTION 11: DEFAULT AND REMEDIES.**

An event of default ("Event of Default") means: (a) the failure of a Party to make, when due, any payment that is required under this Agreement; (b) any representation or warranty made by a Party that proves to be false or misleading in any material respect; (c) the failure of a Party to perform its obligations under this Agreement, except to the extent such failure is excused by a Force Majeure Event; (d) Customer's failure to cooperate with Direct Energy as reasonably required in order for Direct Energy to perform its obligations under this Agreement. If an Event of Default has occurred, (a) the non-defaulting Party shall have the right to setoff and net against any undisputed amounts owed by the defaulting Party to the non-defaulting Party under this Agreement, and (b) Direct Energy shall additionally have the right to setoff and net against any deposit or security provided by Customer pursuant to this Agreement any amounts, charges or damages owed by Customer to Direct Energy.

## **SECTION 12: TERMINATION**

This Agreement may be terminated at any time (i) by mutual consent in writing by the Parties, (ii) by either Party if there has been an Event of Default that is not cured within fifteen (15) calendar days of the defaulting Party's receipt of written notice from the non-defaulting Party; (iii) by Direct Energy if Customer fails to provide the credit assurance requested, pursuant to Section 4 within seven (7) days of being requested by Direct Energy; or (iv) during a monthly renewal pursuant to Section 1.2, by either Party upon providing the other Party with thirty (30) days prior written notice. In the event of a termination under subsections (ii) or (iii) above, the defaulting Party shall pay to the non-defaulting Party, within fifteen (15) days of such termination, Actual Damages resulting from such termination, which the Parties hereby agree are a reasonable estimate of the damages that would be incurred by the non-defaulting Party for such early termination, and which would otherwise be difficult or impossible to determine.

In the event of termination as provided herein, all further obligations of the Parties under this Agreement shall terminate without further liability of the Parties, except for the payment by the owing Party of any sums due and owing to the other Party for services rendered prior to the termination date, payment of Actual Damages (if applicable), any confidentiality obligation of either Party which has arisen hereunder and any other obligation hereunder which by its nature survives the termination of this Agreement.

## **SECTION 13: MISCELLANEOUS PROVISIONS.**

**13.1 Waiver.** No waiver by either party of any default or defaults by the other Party under this Agreement shall operate as a waiver of any future default or defaults. No delay or failure by Direct Energy in enforcing any part of this Agreement shall be deemed a waiver of any of its rights or remedies.

**13.2 Assignment.** This Agreement shall inure to and benefit the Parties and their permitted successors and assigns. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the above, Direct Energy may, without the consent of Customer, assign this Agreement and its rights and obligations hereunder to any third party for the limited purpose of securing credit and financing or to any person or entity succeeding to all or substantially all of the assets of Direct Energy. Further, either Party may, without the need for consent from the other Party, transfer or assign this Agreement to an Affiliate of such Party provided that such Affiliate has equivalent financial capability to that of the assigning Party and agrees to be bound by the terms and conditions hereof. Customer expressly agrees that if necessary Customer will execute any documents necessary to effectuate such assignment including, but not limited to, a letter of agency. As used herein, "Affiliate" shall mean with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For purposes of the foregoing definitions, "control" means the direct or indirect ownership of more than fifty percent (50%) of the

outstanding capital stock or other equity interests having ordinary voting power.

**13.3 Severability.** The various provisions of this Agreement are severable. The invalidity, illegality or unenforceability of any provision shall not affect the validity, legality or enforceability of any other portion or provision of this Agreement.

**13.4 Entire Agreement; Amendments.** This Agreement, together with the Exhibits attached hereto (which are incorporated by reference and made a part hereof), constitutes the entire understanding between the Parties, and supersedes and replaces any and all previous understandings, oral or written, in any manner relating to the subject matter hereof, provided, however, that any separate confidentiality agreement between the Parties shall remain in full force and effect. This Agreement shall be supplemented by one or more Confirmations and may be amended only upon mutual agreement of the Parties, which amendment shall not be effective until reduced to writing and executed by the Parties.

**13.5 Market Disruption, Change in Law.** If as determined in good faith by Direct Energy there is (a) a failure of an index price to announce or publish information necessary for determining the Energy Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant market contemplated by the index; (c) the temporary or permanent discontinuance or unavailability of the index; or (d) a material change in the formula for or the method of determining the index, then the Energy Price for all periods affected shall be determined in good faith by Direct Energy, and, without restriction to the foregoing, if there is a material change in the formula for or the method of determining the index, Direct Energy shall calculate the Energy Price in a commercially reasonable manner so as to minimize the effect of such change, and may use other price sources with appropriate adjustments for differentials. If any index ceases to exist, becomes unavailable, is not published for a period of at least ten (10) days, or is changed so that it is intended to measure something materially different from the index prior to the change, the Parties shall negotiate in good faith to agree upon a new index that reasonably measures such price. If the Parties do not agree that an alternate index is appropriate or are unable to agree upon an alternate index, within fifteen (15) days after a written request by a Party, then either Party may begin legal proceedings to resolve the dispute.

If a Change in Law occurs and Direct Energy incurs additional costs or expenses as a result thereof with regard to any Transactions then in effect, then all such increased costs or expenses shall be billed to and paid by Customer in addition to the Energy Price. For purposes of this Agreement, "Change in Law" means (i) any regulatory change that shifts costs or expenses from the Utility to Direct Energy or (ii) any law, order or regulation passed, modified, implemented or interpreted by judicial or regulatory order or legislative enactment, any change in rate class, or any change to Utility procedures that applies to Customer's facilities, which creates additional costs or expenses not included in the Energy Price or which increases the cost components of the Energy Price.

**13.6 Governing Law.** THIS AGREEMENT SHALL BE CONSTRUED, INTERPRETED, AND GOVERNED UNDER AND BY THE LAWS OF THE STATE OF RHODE ISLAND, WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

**13.7 Counterparts.** This Agreement may be executed in one or more counterparts and each shall be considered an original, all of which together shall constitute one and the same Agreement.

**13.8 Contact Information.** The following contact information shall be used by Customer in the event the need arises:

Direct Energy – Customer Service:

Email [CustomerRelations@directenergy.com](mailto:CustomerRelations@directenergy.com)

Toll Free No. 1-888-925-9115 (Mon.-Thu. 7:00 a.m.– 7:00 p.m. EST & Fri. 7:00 a.m.– 6:00 p.m. EST)

**For non-emergency or after-hours, leave a message.**

In the event of an emergency (including gas odors) or other distribution service needs, Customer must contact the LDC for the subject Account(s) at the emergency number provided on the bill received from the LDC. Complaints may be presented to the Rhode Island Public Utilities Division at 401-941-4500.

**13.9 Notice Addresses.** All formal notices or demands required or permitted hereunder shall be made to the following addresses of the Parties:

If to Direct Energy: Direct Energy Services, LLC  
Attn: Senior Director Sales, US North  
1001 Liberty Center  
Pittsburgh, PA 15222  
Fax: (412) 667-6106  
Email: [CustomerRelations@directenergy.com](mailto:CustomerRelations@directenergy.com)

A copy, which shall not constitute notice, and all legal notices, shall be sent to:

Direct Energy Business  
Attn: Nick Henn, Vice President and  
Assistant General Counsel  
12 Greenway Plaza, Suite 600  
Houston, Texas 77046

If to Customer:

City of Pawtucket  
Attn: Accounting Division  
137 Roosevelt Ave  
Pawtucket, RI, 02860

## SECTION 14: DEFINITIONS

The following terms shall have the meanings set forth below. All other capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed to such terms in the applicable rules, regulations, tariffs or protocols of the governmental authorities to which such terms pertain.

"Account" means each account identified on a Confirmation.

"Actual Damages" means the total amount of the loss that the non-defaulting party (or, in the event of a termination without cause, the non-terminating party) (as applicable, the "Damaged Party") would experience as a result of termination. As to each terminated transaction, Actual Damages shall be deemed to equal: (A) where Direct Energy is the Damaged Party, the positive difference, if any, between the contract price of

the natural gas as defined in the Price section of the Agreement for the remaining term of such terminated transaction and the market price of the natural gas for the remaining term of such terminated transaction, in each case as determined by Direct Energy in a commercially reasonable manner; and (B) where Customer is the Damaged Party, the positive difference, if any, between the market price of the natural gas for the remaining term of such terminated transaction and the contract price of the natural gas as defined in the Price section of the Agreement for the remaining term of such terminated transaction, in each case as determined by Direct Energy in a commercially reasonable manner. For the avoidance of doubt, "contract price" shall include the Direct Energy fee for purpose of the above calculations.

"Actual Usage" means the actual amount of natural gas consumed by Customer at a Location, calculated by Account.

"Billing Period" means as to an Account, the Billing Period utilized by the applicable Utility.

"Delivery Charges" means, to the maximum extent permitted, all charges, costs, fees or other amounts charged by a Utility to Direct Energy or Customer for the delivery of natural gas from the Delivery Point to Customer's Location.

"Delivery Period" is the period during which natural gas deliveries are to be made as agreed by the Parties on a Confirmation.

"Delivery Point" shall have the meaning set forth on the applicable Confirmation.

"Dth" means a measure of the heat content value of gas. Gas usage is determined by multiplying the Mcf used by the heat content value of the gas. One Dth equals approximately 970 cubic feet (ccf).

"Effective Date" shall mean the Effective Date specified in the preamble of this Agreement.

"Energy Price" is the price in US dollars to be paid to Direct Energy by Customer for the purchase of the natural gas as set forth on a Confirmation.

"LDC" means each entity that transports or distributes natural gas to a Location or other similar entity providing the same basic services as such entities and any successor thereto.

"Load Change(s)" means, (i) if Customer is a monthly-balanced customer, or is a daily-balanced customer with an aggregate annual usage of less than 30,000 Dth, a change in Customer's operations resulting in an aggregate monthly difference of 25% or more between Actual Usage and Monthly Contract Quantity or, (ii) if Customer is a daily-balanced customer with an aggregate annual usage of 30,000 Dth or more, a change on any given day in Customer's operations resulting in a difference of 25% or more between Actual Usage and Customer's historical daily usage pattern based on its normal business operations.

"MMBtu" means one million British Thermal Units.

"Monthly Contract Quantity" shall be set forth on Part II of any applicable Confirmation.

"Non-Recurring Charges" means any costs, fees, penalties, fines or charges imposed on a Provider by a Utility or other third party on a non-recurring basis for services, repairs or additional equipment needed for Customer's natural gas service.

"Pass-Through Charges" means all Taxes, Non-Recurring Charges and Delivery Charges and any new or additional costs or charges specified in the applicable Confirmation or otherwise imposed on Direct Energy in its role as Provider under applicable law.

"Provider" means "Gas Marketer" as set forth in the Rhode Island Public Utilities Commission Regulations For Utility Interaction With Gas Marketers (enacted pursuant to RIGL § 39-1-11 and § 39-3-7), Section II (G) and certified pursuant to Section III (A).

"Security" means collateral in the form of cash, irrevocable standby letter of credit, corporate guarantee, prepayment, or other security acceptable to Direct Energy in its sole discretion.

"Special Provisions" means any mutually agreed changes to the primary body of this Agreement as set forth in a separate document and in a form acceptable to Direct Energy.

"Taxes" means all taxes, assessments, levies, duties, charges, fees and withholdings of any kind and all penalties, fines, and additions to tax, and interest thereon that are directly related to the services provided under this Agreement and assessed or imposed by any federal, state, municipal or local government or other authority, including but not limited to sales taxes, gross receipts taxes, assessment fees or franchise fees.

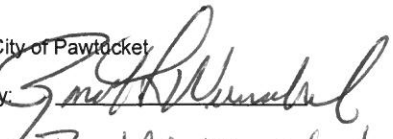
"Transaction" means the specific purchase and sale of natural gas as set forth in the applicable Confirmation.

"Utility" means any company that transmits or distributes natural gas to Accounts, including but not limited to, an LDC.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the Effective Date.

CUSTOMER:

DIRECT ENERGY:

City of Pawtucket  
By:   
Name: Ronald L. Wunschel  
Title: Director of Finance  
Date: February 14, 2011

DIRECT ENERGY SERVICES, LLC  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Confirmation - Part I**  
**(RHODE ISLAND - Fixed Price with Full Requirements)**  
**Natural Gas**

Contract Generation Date: 02/14/2011  
Customer Name: City of Pawtucket  
**Customer Contact Information:**  
Mailing Address: 137 Roosevelt Ave  
Pawtucket, RI, 02860  
Phone: (401) 728-0500  
Fax:  
Email:  
Customer Contact: Accounting Division

Contract No.:  
  
**Direct Energy Contact Information:**  
Mailing Address: Direct Energy Business  
1001 Liberty Avenue  
Pittsburgh, PA 15222  
Phone: (888) 925-9115  
Fax: (866) 421-0257  
Email: CustomerRelations@directenergy.com

**GENERAL**

This Confirmation is an integral part of the Agreement by and between Direct Energy and Customer. Capitalized terms not defined in this Confirmation have the meanings referenced elsewhere in the Agreement.

**Scope.** This Confirmation is for natural gas supply, nomination and balance service and not for Utility distribution service.

**Deliveries.** Direct Energy shall schedule the delivery of natural gas hereunder to the citygate (the "Delivery Point") for the applicable LDC for each Customer Location identified in Part II below. Each applicable LDC shall be responsible for receiving the natural gas and distributing it to the Customer Location(s). For the purposes of scheduling only, Direct Energy shall be deemed to be in possession and control of, have title to, and be responsible for such natural gas, prior to the Delivery Point. Customer shall be deemed to have title to the natural gas at and after the Delivery Point. The applicable LDC shall be deemed to be in possession and control of be responsible for and bear risk of loss of such natural gas, at and after the Delivery Point until delivery to the applicable meter at a Customer Location, whereupon Customer shall have possession and control of and be responsible for and bear risk of loss of such natural gas. Direct Energy warrants that it has title to the scheduled natural gas and that at the time of delivery to the Delivery Point such natural gas shall be free and clear of all liens, encumbrances, and claims.

**Delivery Period.** Direct Energy shall provide for each Account natural gas retail service for the full usage requirements of such Account (s) from the first Utility meter read date of the calendar month specified in Part II below under "Expected Start Month" and continuing thereafter until the last Utility meter read date of the calendar month specified in Part II below under "Expected End Month."

**Customer Emergencies.** Customer should contact its Utility with any energy - related emergencies.

**RETAIL NATURAL GAS SERVICE CHARGES – FIXED PRICING**

**Fixed Energy Pricing.** Should Direct Energy and Customer agree on a fixed energy price basis, the Energy Price for Actual Usage with respect thereto (the "Fixed Energy Price") for the Accounts shall be as set forth in Part II of this Confirmation, subject to applicable charges or credits for usage deviations outside of the CQ Tolerance as further provided below. The Fixed Energy Price is inclusive of all non-Utility charges other than Taxes and Non-Recurring Charges. Invoices are issued monthly for natural gas delivered to Customer's meter. Pricing may be at the Citygate or Burnertip, as agreed by the Parties and set forth in Part II of this Confirmation. Customer will be responsible for all transportation and service charges and fees imposed by Customer's LDC relative to the delivery of natural gas from the Delivery Point(s) to each Location. For full requirements contracts (as reflected by Customer's election in Part II hereof), CQ Tolerance shall not apply and the Energy Price for all natural gas usage shall be at the Fixed Energy Price. For contracts that are not for full requirements, the following shall apply:

**Excess Volume Pricing.** Excess Volumes outside the CQ Tolerance shall be billed to and paid by Customer at a monthly price calculated using the simple average of the maximum daily index price posted in the column titled "Common" published in Platt's Gas Daily under the heading "Daily Price Survey" for the Applicable Rhode Island Citygate (as described below), for all days of the applicable month, plus (i) maximum posted pipeline transportation and Interstate Pipeline Fuel Charges, (ii) LDC charges, if applicable, and (iii) an administrative fee of \$0.035 per DTH/MCF or \$0.0035 per Therm/CCF.

**Deficient Volume Pricing:** Deficient Volumes outside the CQ Tolerance shall be credited at a monthly price calculated using the simple average of the minimum daily index prices posted in the column titled "Common" published in Platt's Gas Daily under the heading "Daily Price Survey" for the Applicable Rhode Island Citygate (as described below), for all days of the applicable month.

**Price Redetermination.** Either party may request to renegotiate the Energy Price set forth herein subject to a mutually agreeable extension of the Term; provided, however, that nothing herein shall be construed as an obligation of either party to modify the Energy Price or Term, and no modifications to the Energy Price or Term shall become effective unless reduced to writing and executed by the parties.

**ADDITIONAL DEFINITIONS**

**"Applicable Rhode Island Citygate"** means the applicable LDC and Delivery Zone, as set forth in Part II of this Confirmation. For purposes of this Confirmation, the Applicable Rhode Island Citygate may be any of the following: (i) Bay State Gas (Tennessee Zone 6 Delivered; Algonquin); (ii) Berkshire Gas (Tennessee Zone 6 Delivered; Algonquin); (iii) Boston Gas Company (Keyspan) (Tennessee Zone 6 Delivered; Algonquin); (iv) Colonial Gas (Tennessee Zone 6 Delivered; Algonquin); (v) Essex (Tennessee Zone 6 Delivered; Algonquin); (vi) Fall River Gas (Tennessee Zone 6 Delivered; Algonquin); or (vii) Nstar Gas (Tennessee Zone 6 Delivered; Algonquin).

**"Contract Quantities"** means the natural gas quantities set forth in Part II of this Confirmation.



**Confirmation - Part I**  
**(RHODE ISLAND - Fixed Price with Full Requirements)**  
**Natural Gas**

**"CQ Tolerance"** means the applicable agreed monthly percentage limit above and below the Contract Quantities for each LDC Account Number, as set forth in Part II of this Confirmation, within which limits the Fixed Energy Price shall apply.

**"Deficient Volume"** means Actual Usage below the applicable monthly Contract Quantity.

**"Excess Volume"** means Actual Usage in excess of the applicable monthly Contract Quantity.

**"BT Pricing"** refers to a delivery point at the business meter which means that Utility line losses will either be captured in the sales price or as a line item on the customer invoice. The location of the CQ's (Contract Quantity) is also determined by this methodology.

**"CG Pricing"** refers to a delivery point at the CityGate or beginning of the utility's pipelines and does not contain Utility line losses as a cost component. The location of the CQ's (Contract Quantity) is also determined by this methodology.

**"Interstate Pipeline Fuel Charges"** means the additional charges incurred in respect of applicable interstate pipeline natural gas losses.

**"LDC Fuel Charges"** means the additional charges incurred in respect of applicable LDC natural gas losses.

**Confirmation - Part II**  
**(RHODE ISLAND - Fixed Price with Full Requirements)**  
**Natural Gas**

Contract Generation Date: 02/14/2011

Contract #:

Customer Name: City of Pawtucket

Identify CQ Tolerance: +/- 0 % (No Swing) ; +/- 10% (Swing); X N/A (Unlimited)

Unit of Measure: X Dth Mcf

**Account Information**

LDC Account Number	LDC Name	Location Address	Billing Address	Delivery Zone (Pipeline)	Gas Meter Number	LDC Tariff	Meter Read Cycle	Expected Start Month	Expected End Month	Term (In Months)
0007704952119318	National Grid	137 ROOSEVELT AVE, SLATER PARK OFFICER Slater Park Officer, PAWTUCKET, RI 02861	ACCTNG DIVISION,137 ROOSEVELT AV,ATTN: L IRELAND Slater Park Officer,, PAWTUCKET, RI 02860-2912	AGT	90001624	LRG LLF FT2		06/01/2011	Jun/2012	12
0007741092095385	National Grid	420 MAIN ST, PAWTUCKET, RI 02860	ACCTNG DIVISION,137 ROOSEVELT AV,ATTN: L IRELAND, PAWTUCKET, RI 02860-2912	AGT	90001627	MED FT2		06/01/2011	Jun/2012	12
0007747342095480	National Grid	13 SUMMER STREET, PAWTOCKET, RI 02860	ACCTNG DIVISION,137 ROOSEVELT AV,ATTN: L IRELAND, PAWTUCKET, RI 02860-2912	AGT	90001628	MED FT2		06/01/2011	Jun/2012	12

**Contract Quantities**

LDC Account Number	Product Elected (Fixed; Fixed + Swing)	Fixed Price (\$/Unit of Measure)	Citygate (CG) or burnertip (BT) based	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Annual

**Confirmation - Part II**  
**(RHODE ISLAND - Fixed Price with Full Requirements)**  
**Natural Gas**

0007704952119318	Fixed	\$7.9800 / DTH	CG	627	799	653	454	466	299	119	63	53	102	302	365	4,302
0007741092095385	Fixed	\$7.9800 / DTH	CG	185	138	104	64	37	4	14	15	11	42	78	154	846
0007747342095480	Fixed	\$7.9800 / DTH	CG	433	326	248	186	114	2	2	16	16	64	185	344	1,935
Total				1,245	1,263	1,005	703	617	305	135	93	80	209	565	863	7,084

**NOTE: NOTHING SET FORTH IN THIS CONFIRMATION SHALL BE BINDING ON DIRECT ENERGY UNLESS AND UNTIL THIS CONFIRMATION IS ACCEPTED OR DEEMED ACCEPTED IN ACCORDANCE WITH SECTION 2.2 OF THE AGREEMENT.**

<b>CUSTOMER:</b> City of Pawtucket	<b>DIRECT ENERGY SERVICES, LLC:</b>
By: <i>Donald L. Wupsche</i>	By:
Printed: Donald L. Wupsche	Printed:
Title: Director of Finance	Title:
Date: February 14, 2011	Date:

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board

To The Rhode Island Public Utilities Commission's

Data Requests

Set 1

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**COMM 1-17:** Does the Board charge an uncollectible rate? If yes, what is it and how is it allocated?

**Response:** No. The PWSB does not charge an uncollectible rate.

**Prepared by:** R. Benson



STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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**COMM 1-18:** The Board's Response to Cumberland Water 3-5. Identify the energy efficiency equipment the Board intends to install using the \$67,037 grant from National Grid. For each energy efficiency unit or installation, provide the projected date of installation, the expected life of the unit and the annual and total projected energy savings (in kWhs) and benefits (in dollars) from the unit.

**Response:** The \$67,037 grant was the National Grid incentive on the \$175,325 Raw Water VFD project. This equipment was installed in December of 2014 and has an expected life of 15-20 years. The estimated annual electric savings for this project is 149,533 kWh/yr or \$28,797.

**Prepared by:** J. DeCelles

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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**COMM 1-19:** Identify all energy efficiency programs in which the Board has or will participate in for the period 2012 through 2018. Include the projected energy savings (kWhs) and benefits (dollars) for each program in which the Board has participated or will participate.

**Response:** The PWSB has taken advantage of several National Grid efficiency audits and incentive programs, which resulted in the following energy savings projects:

1. In 2010, the PWSB installed variable frequency drives (VFDs) on the high service pumps, through National Grid's incentive program. These VFDs allow the PWSB to operate the plant more efficiently by giving us the ability to throttle or ramp up the flow of the facility to more closely match system demand. The estimated annual savings for this project was 2,460,288 KWh/yr or \$369,000.

2. In 2014, the PWSB installed variable frequency drives (VFDs) on the raw water pumps, through National Grid's incentive program. Again, these VFDs allow the PWSB to operate the plant more efficiently by giving us the ability to throttle or ramp up the flow of the facility to more closely match system demand. The annual estimated energy savings for this project was 149,533 KWh/yr or \$28,797.

3. The PWSB purchased Demand Monitoring Software, which will assist the PWSB in monitoring and modifying operations to achieve savings in peak demand electric charges. At this time, the projected savings are unknown.

4. The PWSB specifications for its Transmission and Distribution headquarters, which was finished in 2014, incorporated energy efficiency measures. At this time, the projected savings are unknown.

These projects were the energy savings opportunities identified as being feasible from an operations standpoint and having a favorable payback opportunity. The PWSB will continue to identify cost savings strategies, and where viable, implement them.

**Prepared by:** J. DeCelles

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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**COMM 1-20:** What is your response to David Russell's position that in order to provide more gradual or uniform annual increases, the percentage difference between the smallest and largest increase should not exceed 2% or 3%.

**Response:** Mr. Russell suggested (page 34, line 11) that annual rate increase should not vary from year to year by more than 2% or 3%. I don't believe there is any authoritative support or basis for this assertion. The Commission is well aware of water utilities that come before it with new debt issues (e.g. Providence, Woonsocket and Newport) that result in a significant increase in annual expenses. In order to pay the bonds under the terms of their trust indentures, water utilities must establish rates that fully recover all operating costs, pay the cost of all debt, fund all required reserves, and fund the approved IFR amounts. It is not possible to structure major capital programs, such as Newport's new water treatment plant, or Pawtucket's new treatment plant and distribution system overhaul, and limit increases to only 2% to 3% increases each year over an extended period of time.

**Prepared by:** C. Woodcock

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board

To The Rhode Island Public Utilities Commission's

Data Requests

Set 1

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**COMM 1-21:** Update Christopher Woodcock's Schedules 11 and 12 incorporating the changes proposed in Robert Benson's Supplemental Testimony filed May 28, 2015.

**Response:** Please see the PWSB's rebuttal testimony, specifically, the testimony and schedules of Christopher Woodcock that incorporate all these changes.

**Witness:** C. Woodcock

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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**COMM 1-22:** Referring to Schedule RB-DR#7 (Board's Response to DIV 1-7), provide a non-numerical explanation of the July 11, 2014 Memorandum from Jeannine Bourski to Jim DeCelles. Specifically, for each item included in the summary of charges (i.e. Personnel, Payroll, Purchasing, etc.), explain the nature of the charge, identifying for each item the specific service(s) provided to the Board by the City of Pawtucket. Assuming this is an invoice from the City of Pawtucket to the Board, include in your response the due date of the invoice and whether the invoiced charges have been paid.

**Response:** The amounts listed on the Memo from Jeannine Bourski to Jim DeCelles represent a percentage of the salary and benefits of the department's personnel attributable to the PWSB.

**Personnel \$38,667.90 and Payroll \$26,396.25** – These amounts are 15% of the total Wages, FICA, Medicare, medical, dental and Pension for these departments.

The employees within the Personnel department perform the following functions for the PWSB:

- Post all open positions internally and externally
- Handle all applicants for PWSB positions, set up interviews, and issue letters to applicants
- Enroll and administer all PWSB employees' health, dental and life insurance benefits
- Process all necessary forms with the RI State Retirement Board for PWSB employees including the new TIAA Creft
- Complete all unemployment forms for PWSB employees

The employees within the Payroll department perform the following functions for the PWSB:

- Process the weekly payroll for all PWSB employees, including the issuing of employee payroll checks, direct deposits, employee withholdings, taxes, and pensions

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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- Handle all payroll inquiries regarding verification of employment, earnings, changes to W-4, and any other voluntary employee withholdings
- Complete all federal and state reporting for PWSB employees

**Purchasing \$36,297.45** - This amount is 15% of the total Wages, FICA, Medicare, medical, dental, pension, office supplies, postage, and other operating expenses for this department. The employees within the Purchasing department perform the following functions for the PWSB:

- Administration of all PWSB bids, including the advertising, fielding questions from vendors, and providing answers to all bidders
- Purchasing Board oversees all bid openings and approves the award of all bids
- Approves all purchase requisitions and mails all Purchase Orders

**Data Processing \$3,472.42** – This amount represents the use of the City computers, printers and paper to produce all PWSB payroll checks, vendor checks, payroll reports, and water billings/payments.

**Collections \$76,498.92** - This amount is 15% of the total Wages, FICA, Medicare, medical, dental, and pension, for the Tax Collector, Cash Reconciliation Clerk, and Tax Sale Clerk and 100% of a Cashier/Clerk for this department. The employees within the Collection department perform the following functions for the PWSB:

- Accept monthly water bill payments
- Reconcile daily cash receipt batches for water payments
- Post daily cash receipt batches to accounts receivable system and post to general ledger
- Balance all lockbox water payments and reconcile to accounts receivable system
- Assist with water lien sales

**Accounting \$94,455.18** - This amount uses various percentages of the total Wages, FICA, Medicare, medical, dental, and pension for the Accounting staff. The employees within the Accounting department perform the following functions for the PWSB:

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

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Response Of The Pawtucket Water Supply Board  
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Data Requests  
Set 1

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- Prepare certain journal entries to enter into the general ledger
- Approves all PWSB journal entries, post entries to general ledger
- Prepares general ledger backup for auditors
- Process, prepare, mail all vendor payments
- Record all invoices for the Bank of NY payments
- Enter the PWSB adopted budget and record all budget transfers

**Prepared by:** Joanna L'Heureux, City of Pawtucket Finance Director

The City prepares the memorandum at the end of the year and records a journal entry which records the chargeback to the PWSB accounting records. The management chargeback expense is charged and cash due from the City is reduced. PWSB reimburses the Cash due to the City with a monthly cash transfer from PWSB cash held in the Revenue Fund.

**Prepared by:** Robert Benson

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4550

Response Of The Pawtucket Water Supply Board  
To The Rhode Island Public Utilities Commission's  
Data Requests  
Set 1

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**COMM 1-23:** Referring to Schedule RB-DR#7 (Board's Response to DIV 1-7), define the term "cost recapitulation."

**Response:** Cost recapitulation is simply another term for "chargeback" for services provided by the City to the PWSB. The term was used in calculation of data processing services the City provides to the PWSB.

**Prepared by:** Joanna L'Heureux, City of Pawtucket Finance Director



STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

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**COMM 1-24:** Referring to Schedule RB-DR#7 (Board's Response to DIV 1-7), what is the justification for allocating 100% of the tax cashier/clerk's time to Board related services?

**Response:** The City of Pawtucket charges 100% of one cashier/clerk position to the PWSB because that cashier handles monthly payments, which has increased significantly since the PWSB has done from quarterly to monthly billing. Customers are submitting eight times more payments during the year.

**Prepared by:** Joanna L'Heureux, City of Pawtucket Finance Director

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**COMM 1-25:** Referring to Schedule RB-DR#7 (Board's Response to DIV 1-7), what is the full title and name associated with Senior Acct Pay Clerk, and what service does he or she perform for, or on behalf of, the Pawtucket Water Supply Board?

**Response:** Lori Ireland is the Senior Accounts Payable Clerk. She processes all invoices and payments to vendors. She researches any discrepancies with the vendors, any overpayments or missing payments. She also records all the invoices for the payments made by the Bank of New York into the system so they are accounted for properly and appear on the PWSB general ledger for auditing purposes.

**Prepared by:** Joanna L'Heureux, City of Pawtucket Finance Director

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**CERTIFICATION**

I hereby certify that on August 4, 2015, 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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