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August 20, 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 Data Requests (Set 2).

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

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COMM 2-1. In 2012, the Commission ordered Pawtucket Water to track credit card usage, payments by mail and in-person payments, as well as the associated costs of these payment methods. This was to be reviewed as part of the next rate filing. (Docket 3569, Order No. 20879). Pursuant to this Order, please provide a comparison in excel format of the aforementioned payment methods, specifically the number of transactions associated with each of these payment methods and the associated cost of same, for the period October 4, 2012 through the present date. Costs should include per-transaction costs and annual costs associated with each payment method.

Response: See the attached Schedule COMM 2-1 Customer Payments by Type. Customers can make payment by one of the following 4 methods:

1. Check mailed to the lockbox
2. ACH/Electronic Check by website or toll-free telephone call
3. Credit Card by website or toll-free telephone call
4. Counter collections in person by cash or check

The PWSB's labor costs for each payment method are calculated as follows:

Check Payment Via Lockbox

It takes one employee approximately one half hour per day to reconcile lockbox payment. Thus, the labor costs are calculated as follows: number of work days x cost per hour x ½ hour.

	FY13	FY14	FY15
Total Labor Costs & Benefits	\$328,526	\$336,450	\$345,946
Number of work days	244	244	244
Cost per Hour	\$42.08	\$43.09	\$44.31
Annual Labor - Lockbox	\$5,133.23	\$5,257.04	\$5,405.41

ACH/Electronic Check and Credit Card

It takes one employee approximately one half hour per day to reconcile the report of ACH/Electronic Check and Credit Card payment methods,

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which are contained in one daily electronic payment file submitted by the same third party payment processor (HP Enterprises). Thus, the labor costs are calculated as follows: number of work days x cost per hour x ½ hour. The total cost is then allocated between the checks and credit cards based upon the total number of these transaction types.

	FY13	FY14	FY15
Total Labor Costs & Benefits	\$328,526	\$336,450	\$345,946
Number of work days	244	244	244
Cost per Hour	\$42.08	\$43.09	\$44.31
Total Labor – ECH/Credit Cards	\$5,133.23	\$5,257.04	\$5,405.41
Allocation:			
ACH/electronic check Transactions	\$2,938.93	\$2,988.08	\$3,161.77
Credit Card transactions	\$2,194.30	\$2,268.96	\$2,243.64

In Person Counter Payment

There are two components of labor costs for in person payment:

It takes a cashier approximately three minutes to process a counter payment. The cost of a cashier to process a single in person payment is as follows:

	FY13	FY14	FY15
Labor & Benefits	\$328,526	\$336,450	\$345,946
Number of work days	244	244	244
Cost per Hour	\$42.08	\$43.09	\$44.31
Cost per transaction	\$2.10	\$2.15	\$2.22
# of transactions	25,879	25,172	25,076
Annual Labor –			
Counter Payments	\$54,345.90	\$49,666.07	\$50,831.34

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It takes a cashier approximately forty-five minutes per week to close a cash batch and reconcile the deposit is as follows:

	FY13	FY14	FY15
Labor & Benefits	\$328,526	\$336,450	\$345,946
Total Work Hours	7,808	7,808	7,808
Cost per Hour	\$42.08	\$43.09	\$44.31
¾ of Hour	\$31.56	\$32.32	\$33.23
4 tellers x 52 weeks	208	208	208
Annual Labor –			
Reconcile Cash & Deposit	\$6583.80	\$6722.11	\$6911.84

Prepared by: Robert Benson

COMM 2-1

PWSB - CUSTOMER PAYMENTS BY TYPE

LOCKBOX TRANSACTIONS					ACH (electronic) Check Payments				Credit Card Payments				COUNTER COLLECTIONS						
	Total Payments	Number of transactions	Monthly Charges	Cost per transaction	Total Payments	Number of transactions	Monthly Charges	Cost per transaction	Total Payments	Number of transactions	Monthly Charges	Cost per transaction	Total Payments	Number of transactions	Cost per transaction	Monthly Charges			
FY13					FEE PAID BY ALL CUSTOMERS \$1.95				FEE PAID BY CUSTOMER - COMMERCIAL CCs \$18.95										
1	July-12	1,475,131.11	16,155	3,418.21	0.21	45,319.83	362	PAID BY CUSTOMERS	34,633.51	156	PAID BY CUSTOMERS		300,747.71	2,223	\$2.10	4,668.30			
1	August-12	1,433,093.78	17,094	3,726.76	0.22	43,961.99	372	PAID BY CUSTOMERS	27,932.04	148	PAID BY CUSTOMERS		288,399.41	2,245	\$2.10	4,714.50			
1	September-12	1,287,439.32	11,905	2,654.83	0.22	47,214.52	334	PAID BY CUSTOMERS	39,394.82	154	PAID BY CUSTOMERS		269,827.79	1,926	\$2.10	4,044.60			
1	October-12	1,455,778.12	15,706	3,259.64	0.21	58,882.34	418	PAID BY CUSTOMERS	36,517.69	189	PAID BY CUSTOMERS		446,109.13	2,502	\$2.10	5,254.20			
1	November-12	1,114,753.79	14,814	3,165.46	0.21	32,007.23	326	PAID BY CUSTOMERS	18,052.06	115	PAID BY CUSTOMERS		399,929.48	2,364	\$2.10	4,964.40			
<i>transaction subtotals - convenience fees paid by customers</i>					227,385.91	1,812	NONE		156,530.12	762	NONE								
Effective December 1 convenience fees paid by PWSB																			
1	December-12	1,214,175.74	14,086	3,122.15	0.22	47,198.59	601	257.40	0.43	57,449.03	587	1,215.08	2.07	231,779.83	2,000	\$2.10	4,200.00		
1	January-13	1,165,675.53	15,652	3,381.10	0.22	49,451.86	598	254.20	0.43	67,860.22	556	1,344.92	2.42	215,616.19	1,938	\$2.10	4,069.80		
1	February-13	871,495.53	12,538	3,736.00	0.30	58,448.79	645	272.00	0.42	57,717.72	529	1,148.57	2.17	203,056.35	1,986	\$2.10	4,170.60		
1	March-13	1,194,048.46	15,358	3,800.85	0.25	62,304.12	709	304.10	0.43	68,624.15	611	1,238.57	2.03	224,590.17	2,088	\$2.10	4,384.80		
1	April-13	1,080,121.71	14,530	3,605.56	0.25	74,559.30	752	323.30	0.43	74,483.01	634	1,257.11	1.98	461,606.45	2,311	\$2.10	4,853.10		
1	May-13	1,131,403.31	14,875	3,419.69	0.23	60,473.66	767	329.80	0.43	63,836.26	629	1,340.30	2.13	401,148.94	2,242	\$2.10	4,708.20		
1	June-13	1,046,666.71	13,378	3,228.06	0.24	62,915.77	719	306.60	0.43	67,791.56	622	1,179.56	1.90	281,168.13	2,054	\$2.10	4,313.40		
12	FY13 TOTALS	14,469,783.11	176,091	40,518.31	0.23	642,738.00	6,603			415,352.09	4,791	2,047.40	0.43	457,761.95	4,168	8,724.11	2.09		
													3,723,979.58	25,879	Labor: Payment processing	\$ 54,345.90			
Annual PO Box Fee 1,100.00					PWSB Labor Cost 2,938.93					PWSB Labor Cost 2,194.30					Cloe batch & reconcile deposit \$ 6,563.80				
PWSB Labor Cost 5,133.23					Total Annual Cost 4,986.33 0.76					Total Annual Cost 10,918.41 2.21					PWSB Labor Cost 2.35 \$ 60,909.70				
Total Annual Cost \$46,751.54 0.27																			
FY14																			
1	July-13	1,385,783.63	15,407	3,619.58	0.23	75,052.54	809	340.60	0.42	64,661.91	642	1,255.71	1.96	235,822.24	2,072	\$2.15	4,464.17		
1	August-13	1,073,675.59	13,115	3,268.26	0.25	68,938.75	738	320.20	0.43	61,278.66	571	1,296.29	2.27	236,856.42	1,904	\$2.15	4,102.21		
1	September-13	1,556,675.33	14,151	3,827.48	0.24	78,923.47	808	347.20	0.43	74,383.01	636	1,315.40	2.07	332,923.32	2,280	\$2.15	4,912.31		
1	October-13	1,364,759.33	15,055	3,531.06	0.23	99,965.21	873	369.20	0.42	74,174.62	669	1,418.52	2.12	383,571.62	2,128	\$2.15	4,584.83		
1	November-13	1,055,425.57	13,162	3,168.08	0.24	75,836.44	832	347.80	0.42	64,444.21	649	1,347.73	2.08	513,911.90	2,277	\$2.15	4,905.85		
1	December-13	1,172,448.90	15,172	3,614.67	0.24	61,064.46	849	355.60	0.42	55,358.69	635	1,323.15	2.08	210,024.00	2,025	\$2.15	4,362.91		
1	January-14	1,017,028.63	13,660	3,255.54	0.24	97,349.73	983	419.20	0.43	87,725.39	768	1,775.51	2.31	262,024.35	2,045	\$2.15	4,406.00		
1	February-14	1,035,200.03	13,187	3,255.31	0.25	93,547.50	955	406.50	0.43	86,484.70	755	1,648.06	2.18	239,416.15	1,964	\$2.15	4,231.48		
1	March-14	1,155,477.51	14,317	3,357.25	0.23	111,950.15	1,138	491.20	0.43	87,762.12	798	1,764.76	2.21	365,752.86	2,115	\$2.15	4,556.82		
1	April-14	1,032,168.88	14,262	2,339.49	0.16	79,853.72	974	419.60	0.43	78,058.35	748	1,660.18	2.22	366,832.57	2,210	\$2.15	4,761.50		
1	May-14	894,924.86	13,363	2,230.43	0.17	87,054.99	1,018	440.70	0.43	76,564.74	755	1,784.76	2.36	394,050.02	2,032	\$2.15	4,377.99		
1	June-14	1,108,682.48	14,133	2,247.32	0.16	97,188.18	1,084	472.60	0.44	83,096.06	773	1,741.33	2.25	296,585.88	2,120	\$2.15	4,567.59		
12	FY14 TOTALS	13,852,250.74	168,984	37,274.47	0.22	1,026,725.14	11,061	4,730.40	0.43	893,992.46	8,399	18,331.40	2.18	3,837,771.33	25,172		\$ 49,666.07		
Annual PO Box Fee 1,320.00					PWSB Labor Cost 2,988.08					PWSB Labor Cost 2,268.96					Cloe batch & reconcile deposit \$ 6,722.11				
PWSB Labor Cost 5,257.04					Total Annual Cost 7,718.48 0.70					Total Annual Cost 20,600.36 2.45					PWSB Labor Cost 2.24 \$ 56,388.18				
Total Annual Cost \$43,851.51 0.26																			
FY15																			
1	July-14	1,332,668.55	14,132	2,248.55	0.16	101,953.59	1,103	482.20	0.44	95,411.06	816	2,120.08	2.60	312,392.34	2,279	\$2.22	5,059.38		
1	August-14	1,340,427.08	13,308	2,267.11	0.17	96,817.43	1,072	462.80	0.43	75,933.10	730	1,842.80	2.52	273,561.55	2,050	\$2.22	4,551.00		
1	September-14	1,326,347.93	14,100	2,231.34	0.16	126,116.04	1,245	541.00	0.43	121,178.37	938	2,402.04	2.56	351,561.51	2,117	\$2.22	4,699.74		
1	October-14	1,412,024.88	13,994	2,331.46	0.17	129,880.59	1,237	540.80	0.44	94,255.57	862	2,067.14	2.40	469,442.62	2,319	\$2.22	5,148.18		
1	November-14	1,042,566.09	13,219	2,139.89	0.16	83,560.81	1,011	436.90	0.43	76,887.42	753	1,537.17	2.04	414,356.87	1,923	\$2.22	4,269.06		
1	December-14	1,154,648.22	14,932	2,348.01	0.16	84,651.91	1,178	512.20	0.43	63,322.96	801	1,373.43	1.71	222,603.12	2,136	\$2.22	4,741.92		
1	January-15	829,401.54	12,006	2,030.61	0.17	105,669.01	1,188	513.70	0.43	91,785.58	827	1,557.43	1.88	261,967.66	1,815	\$2.22	4,029.30		
1	February-15	916,872.35	12,094	2,018.65	0.17	113,850.03	1,174	513.60	0.44	89,741.81	818	1,495.67	1.83	187,127.76	1,643	\$2.22	3,647.46		
1	March-15	1,276,311.15	16,284	2,745.28	0.17	132,158.11	1,484	646.10	0.44	113,880.65	1,011	1,887.28	1.87	255,161.79	2,445	\$2.22	5,427.90		
1	April-15	946,529.36	13,780	2,296.78	0.17	124,007.39	1,298	564.70	0.44	104,026.59	919	1,799.14	1.96	414,661.46	2,216	\$2.22	4,919.52		
1	May-15	910,947.35	12,814	2,101.45	0.16	90,903.87	1,161	506.40	0.44	71,733.58	795	1,493.53	1.88	333,541.52	1,954	\$2.22	4,337.88		
1	June-15	1,134,139.45	13,321	2,181.89	0.16	113,113.98	1,292	561.80	0.43	103,490.19	979	1,656.62	1.69	265,504.28	2,179	\$2.22	4,837.38		
12	FY15 TOTALS	13,622,883.95	163,984	26,941.02	0.16	1,302,482.76	14,443	6,282.20	0.43	1,101,646.88	10,249	21,232.33	2.07	3,761,882.48	25,076		\$ 50,831.34		
Annual PO Box Fee 1,320.00					PWSB Labor Cost 3,161.77					PWSB Labor Cost 2,243.64					Cloe batch & reconcile deposit \$ 6,911.84				
PWSB Labor Cost 5,405.41					Total Annual Cost 9,443.97 0.65					Total Annual Cost 23,475.97 2.29					PWSB Labor Cost 2.30 \$ 57,743.18				
Total Annual Cost \$33,666.43 0.21																			

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COMM 2-2: Rebuttal of Christopher Woodcock, page 11, lines 6, 10 and 19.
Explain in more detail the RIDOH Project Priority List and its specific importance to the CL-6 project. Include in your response why it would be necessary to prove that CL-6 is on the PPL prior to implementation of a step increase.

Response: In order for the CL-6 project to qualify for RICWFA funding, it must appear on the RIDOH Project Priority List. If the project were not on the list and the PWSB were unable to obtain financing, the project would not be able to be completed and the step increase for the rates to fund the debt service would not be required. Since CL-6 already is on the DOH Project Priority List, the PWSB will be able to obtain the necessary financing.

Prepared by: James DeCelles

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COMM 2-3: Rebuttal of Christopher Woodcock, page 5, line 23 through page 6, line 5. Please confirm the 2-year, compounded rate of inflation originally proposed by Pawtucket Water. Was it 6.24% (Page 5, line 24) or 6.34% (Page 6, line 5)?

Response: The correct inflation rate proposed in the initial filing was 6.24% as shown on Woodcock Sch. 1.1. The 6.34% on page 6, line 5 was a typographical error.

Prepared by: C. Woodcock

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COMM 2-4: Rebuttal of Christopher Woodcock, page 6, line 4 through page 7, line 13. If Mr. Woodcock believes the 2-year compounded rate originally proposed by Pawtucket Water was reasonable, and if the cost of water has exceeded the rate of inflation, what is the basis of the agreement to use a reduced inflation rate of 6.0%?

Response: To be clear, there is no agreement among the parties as of the preparation of these responses. I proposed the 6.0% inflation rate as a rounded down inflation rate from the initial 6.24% in the initial filing or the 6.6% discussed on page 7, line 10 of my rebuttal testimony. The intent was to offer a somewhat reduced inflation rate in the spirit of compromise.

Prepared by: C. Woodcock

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COMM 2-5: Rebuttal of James L. DeCelles, page 5, line 21 through page 6, line 2.
Has the number of workers compensation injuries at Pawtucket Water increased relative to prior years or relative to the number of injuries experienced at other utilities of similar size and scope, or both?

Response: The dollar value of injuries at the PWSB increased in FY 13, FY14 (substantially) and FY15 relative to prior years. Please see the response to Comm. 2-6 for the number of injuries and dollar values. I do not know how the number of injuries compares to injuries experienced at other utilities of similar size and scope.

Prepared by: James DeCelles

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COMM 2-6: Rebuttal of James L. DeCelles, page 6, line 2. Provide in excel format the annual and total number of workers compensation injuries recorded by Pawtucket Water for the period FY2012 through FY2015.

Response: Please see the attached Schedule 2-6.

Prepared by: Robert Benson

PWSB
Schedule COMM 2-6

	Number of Injuries (Claims)	Number of Injuries with Loss Work Days	Number of Loss Work Days	Claim Payments
FY11	4	NONE	NONE	\$ 1,052.00
FY12	2	NONE	NONE	\$ 207.00
FY13	4	1	63	\$ 8,486.61
FY14	6	4	391	\$ 98,205.00
FY15	4	2	118	\$ 17,794.00

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COMM 2-7: Rebuttal of James L. DeCelles, page 2, line 20. Explain Demand Monitoring Software in more detail, including specifically the date it was purchased and which operations it is expected to impact.

Response: The approval to purchase the ENERNOC Energy Intelligence Software was granted by the PWSB on March 10, 2015. The equipment and software has been installed and the system went live in the month of July.

The software will monitor the energy consumption of the treatment plant only. The software will track energy consumption and costs in real time while showing usage on a monthly, daily, or hourly basis. The data collected will allow PWSB to overlay the treatment plant operational data over the energy data. These trends will be used to attempt to avoid the peak demands and identify operational changes that may be able to be adjusted to save on peak demand costs.

Prepared by: James DeCelles

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CERTIFICATION

I hereby certify that on August 20, 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.

Parties/Address	E-mail Distribution	Phone
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