



February 6, 2017

The Hon. Jorge O. Elorza
Mayor

Ricky Caruolo
General Manager

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

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RE: Dk 4618: Commission Record Requests

Dear Mrs. Massaro:

Enclosed please find Providence Water's responses to Commission Record Requests 2, 4, 13, 14, 15, 17, 18, 20, 21, 25, 28, 29 and 30 as requested at the hearings.

If you have any questions I can be reached extension 7217.

Sincerely,

Mary L. Deignan-White
Senior Manager of Regulatory

cc: service list(via email)

MEMBER

Rhode Island Water Works Assn.
New England Water Works Assn.
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Providence Water Docket 4618

Commission Record Request
January 24-25 2017

RR-2. (Providence Water) Please provide any and all documentation between Providence Water and the City of Providence challenging the tax bill for the property at 125 Dupont Drive. (previously submitted)

Response: There are no documents challenging the tax bill for Dupont Drive.

Providence Water Docket 4618

**Commission Record Request
January 31, 2017**

RR-4. (Providence Water) How much of the COF cost is for the lab (what is the total lab cost)?

Response: Providence Water has an allowance of \$50,000 for lab equipment. The lab will be placed in an existing room and will be 625 square feet. At an overall rehabilitation cost of \$102.50 per square foot, the building rehabilitation cost would be \$64,062.50.

Providence Water Docket 4618

Commission Record Request

January 31, 2017

RR-13. (Providence Water) Based on the FY 2011 Annual Report, it appears sales exceeded the consumption number used in Docket No. 4061 where Providence Water agreed to deposit excess revenues into the revenue reserve account. Did that deposit happen?

Response: Providence Water did not deposit excess revenues into the Revenue Reserve account. While Providence Water did have excess sales in FY 2011, we did not have the cash flow to support the additional transfer to the Revenue Reserve. Providence Water apologizes for any oversight on not notifying the Commission of our inability to deposit the excess revenues into the Revenue Reserve account.

Providence Water Docket 4618

**Records Request from Hearings
January 31, 2014**

RR-14. (Providence Water) Please provide KCWA-2-5 I n the same format as the originally submitted response to KCWA-2-5 to include FY 2016 and the same line items.

RESPONSE: Please see attached.

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2016 - FY 2019

Schedule NEP-12A
Capital Fund

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	\$ 1,780,833	\$ 2,127,000	\$ 2,127,000	\$ 2,127,000
Adjustments to funding from new docket effective 1/1/17	-	-	-	-
Interest Income	75,704			
Bond CWFA 2015	250,000	14,543,560	2,365,308	-
Carryover funds from prior year estimated ¹	9,445,353	9,894,551	4,094,403	1,100,823
Total Sources	\$ 11,551,891	\$ 26,565,111	\$ 8,586,711	\$ 3,227,623
Less obligated uses of funds:				
RICWFA Debt (2015)	72,151	500,471	1,945,780	1,948,871
Sub-total Debt Service	\$ 72,151	\$ 500,471	\$ 1,945,780	\$ 1,948,871
125 Dupont Drive	250,000	14,543,560	2,365,308	-
Cash Funded Projects*	1,335,189	7,426,677	3,175,000	275,000
Total Uses	\$ 1,657,340	\$ 22,470,708	\$ 7,486,088	\$ 2,223,871
End of Year Balance	\$ 9,894,551	\$ 4,094,403	\$ 1,100,623	\$ 1,003,752

1. FY2016 carry-over funds include \$1,225,000 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

Schedule NEP-12B
Western Cranston Fund

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	\$ 62,069	\$ 62,069	\$ 62,069	\$ 62,069
Impact Fees estimated	.16,958	60,570	15,819	15,819
Adjustment for Settlement	-	(11,035)	(22,069)	(22,069)
Carryover funds from prior year estimated ²	1,033,513	523,341	446,428	336,574
Total Sources	\$ 1,112,540	\$ 634,945	\$ 502,247	\$ 392,393
Less obligated uses of funds				
RICWFA 2002B (P)	136,537	141,276	146,180	151,253
RICWFA 2002 (Pippin Main & WilburPS) (I)	34,466	24,656	19,494	14,153
Sub-total Debt Service	\$ 171,003	\$ 165,932	\$ 165,673	\$ 165,406
Cash Funded Projects	418,197	22,586	-	-
Total Uses	\$ 589,199	\$ 188,518	\$ 165,673	\$ 165,406
End of Year Balance	\$ 523,341	\$ 446,428	\$ 336,574	\$ 226,987

2. FY2016 carry-over funds includes \$31,035 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

Schedule NEP-12D
AMR/Meter Replacement Fund

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	1,000,000	1,000,000	1,000,000	1,000,000
Adjustments to funding from new docket effective 1/1/17	-	(250,000)	(500,000)	(500,000)
Interest Income/Other Income	113,513			
Carryover funds from prior year estimated ³	3,355,365	3,297,833	2,788,637	2,029,444
Total Sources	\$ 4,468,878	\$ 4,047,833	\$ 3,288,637	\$ 2,529,444
Less obligated uses of funds				
East Smithfield RICWFA (Arra) \$400,000	\$ -	27,463	27,461	27,427
Elimination of "Due From Operations" - Settlement				
Meter Replacement, Test & Repair	1,171,045	1,231,732	1,231,732	1,231,732
Total Uses	\$ 1,171,045	\$ 1,259,195	\$ 1,259,193	\$ 1,259,159
End of Year Balance	\$ 3,297,833	\$ 2,788,637	\$ 2,029,444	\$ 1,270,285

3. FY2016 carry-over funds includes \$750,000 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

**Schedule NEP-12E
Equip/Vehicle Replacement Fund**

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	600,000	600,000	600,000	600,000
Adjustments to funding from new docket effective 1/1/17	-	-	-	-
Miscellaneous Revenue	22,517			
Carryover funds from prior year estimated ⁴	<u>1,791,464</u>	<u>1,609,118</u>	<u>1,004,062</u>	<u>771,262</u>
Total Sources	2,413,981	2,209,118	1,604,062	1,371,262
Less obligated uses of funds				
Change in Accounts Payable	391,965	4,374		
Elimination of "Due From Operations" - Settlement				
Vehicle and Equipment purchases	281,665	886,682	707,800	515,000
Computer Equipment purchases	81,032	100,000	100,000	100,000
Office Furniture purchases	8,451	25,000	25,000	25,000
Security Equipment	-	189,000	-	64,000
Shop & Plant Equipment	<u>41,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Uses	804,863	1,205,056	832,800	704,000
End of Year Balance	\$ <u>1,609,118</u>	\$ <u>1,004,062</u>	\$ <u>771,262</u>	\$ <u>667,262</u>

4. FY2016 carry-over funds includes \$300,000 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

**Schedule NEP-12F
Insurance Fund**

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	1,802,547	1,802,547	1,802,547	1,802,547
Adjustments to funding from new docket effective 1/1/17	-	318,010	636,021	636,021
Income - Other	252	35	150	150
Carryover funds from prior year estimated ⁵	<u>2,655,031</u>	<u>2,366,192</u>	<u>2,147,826</u>	<u>2,154,026</u>
Total Sources	4,457,830	4,486,785	4,586,543	4,592,744
Less obligated uses of funds				
Elimination of "Due From Operations" - Settlement	0	0	0	0
Property & Casualty	888,977	941,925	979,602	1,018,787
Auto	184,060	160,482	166,901	173,577
Workers Compensation	922,823	1,068,017	1,110,738	1,155,167
Injuries & Damages	65,589	127,378	132,473	137,772
Safety Supplies & Other	12,845	3,149	3,275	3,406
Program Expense	<u>17,343</u>	<u>38,007</u>	<u>39,527</u>	<u>41,108</u>
Total Uses	2,091,638	2,338,959	2,432,517	2,529,818
End of Year Balance	\$ <u>2,366,192</u>	\$ <u>2,147,826</u>	\$ <u>2,154,026</u>	\$ <u>2,062,926</u>

5. FY2016 carry-over funds includes \$741,914 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

**Schedule NEP-12I
Revenue Reserve Fund**

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	\$ 333,880	\$ 335,611	\$ 335,611	\$ 335,611
Adjustments to funding from new docket effective 1/1/17	-	15,881	31,761	31,761
Carryover funds from prior year estimated ⁶	<u>5,219,171</u>	<u>5,553,051</u>	<u>5,904,543</u>	<u>6,271,915</u>
Total Sources	\$ 5,553,051	\$ 5,904,543	\$ 6,271,915	\$ 6,639,287
Less obligated uses of funds				
Transfer to Restricted Funds*	-	-	-	-
Total Uses	\$ -	\$ -	\$ -	\$ -
End of Year Balance	\$ 5,553,051	\$ 5,904,543	\$ 6,271,915	\$ 6,639,287

6. Carry-over funds do not reflect the transfer of any amounts to other restricted funds to satisfy the "due to's" from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2016 - FY 2019

Schedule NEP-12A
Capital Fund

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	\$ 1,780,833	\$ 2,127,000	\$ 2,127,000	\$ 2,127,000
Adjustments to funding from new docket effective 1/1/17	-	1,225,000	-	-
	75,704			
Bond CWFA 2015	250,000	14,543,560	2,365,308	-
Carryover funds from prior year estimated ¹	8,220,349	8,669,647	5,371,076	2,377,296
Total Sources	\$ 10,326,887	\$ 26,565,107	\$ 9,863,384	\$ 4,504,296
Less obligated uses of funds:				
RICWFA Debt (2015)	72,151	500,471	1,945,780	1,948,871
Sub-total Debt Service	\$ 72,151	\$ 500,471	\$ 1,945,780	\$ 1,948,871
125 Dupont Drive	250,000	14,543,560	2,365,308	-
Cash Funded Projects*	1,335,189	6,150,000	3,175,000	275,000
Total Uses	\$ 1,657,340	\$ 21,194,031	\$ 7,486,088	\$ 2,223,871
End of Year Balance	\$ 8,669,547	\$ 5,371,076	\$ 2,377,296	\$ 2,280,425

1. FY2016 carry-over funds DO NOT include \$1,225,000 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

Schedule NEP-12B
Western Cranston Fund

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	\$ 62,069	\$ 62,069	\$ 62,069	\$ 62,069
Impact Fees estimated	16,958	60,570	15,819	15,819
Adjustment for Settlement	-	(11,035)	(22,069)	(22,069)
Carryover funds from prior year estimated ²	1,033,513	523,341	415,393	305,539
Total Sources	\$ 1,112,540	\$ 634,945	\$ 471,212	\$ 361,358
Less obligated uses of funds				
RICWFA 2002B (P)	136,537	141,276	146,180	151,253
RICWFA 2002 (Pippin Main & WilburPS) (I)	34,466	24,656	19,494	14,153
Sub-total Debt Service	\$ 171,003	\$ 165,932	\$ 165,673	\$ 165,406
Elimination of "Due From Operations" - Settlement		31,035		
Cash Funded Projects	418,197	22,586	-	-
Total Uses	\$ 589,199	\$ 219,553	\$ 165,673	\$ 165,406
End of Year Balance	\$ 523,341	\$ 415,393	\$ 305,539	\$ 195,952

2. FY2016 carry-over funds includes \$31,035 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

Schedule NEP-12D
AMR/Meter Replacement Fund

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	1,000,000	1,000,000	1,000,000	1,000,000
Adjustments to funding from new docket effective 1/1/17	-	(250,000)	(500,000)	(500,000)
Interest Income/Other Income	113,513			
Carryover funds from prior year estimated ³	3,355,365	3,297,833	2,038,637	1,279,444
Total Sources	\$ 4,468,878	\$ 4,047,833	\$ 2,538,637	\$ 1,779,444
Less obligated uses of funds				
East Smithfield RICWFA (Arra) \$400,000	\$ -	27,463	27,461	27,427
Elimination of "Due From Operations" - Settlement		750,000		
Meter Replacement, Test & Repair	1,171,045	1,231,732	1,231,732	1,231,732
Total Uses	\$ 1,171,045	\$ 2,009,195	\$ 1,259,193	\$ 1,259,159
End of Year Balance	\$ 3,297,833	\$ 2,038,637	\$ 1,279,444	\$ 520,285

3. FY2016 carry-over funds includes \$750,000 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

**Schedule NEP-12E
Equip/Vehicle Replacement Fund**

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	600,000	600,000	600,000	600,000
Adjustments to funding from new docket effective 1/1/17	-	-	-	-
Miscellaneous Revenue	22,517			
Carryover funds from prior year estimated ⁴	<u>1,791,464</u>	<u>1,609,118</u>	<u>704,062</u>	<u>471,262</u>
Total Sources	2,413,981	2,209,118	1,304,062	1,071,262
Less obligated uses of funds				
Change in Accounts Payable	391,965	4,374		
Elimination of "Due From Operations" - Settlement		300,000		
Vehicle and Equipment purchases	281,665	886,682	707,800	615,000
Computer Equipment purchases	81,032	100,000	100,000	100,000
Office Furniture purchases	8,451	25,000	25,000	25,000
Security Equipment	-	189,000	-	64,000
Shop & Plant Equipment	<u>41,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Uses	804,863	1,505,056	832,800	704,000
End of Year Balance	<u>\$ 1,609,118</u>	<u>\$ 704,062</u>	<u>\$ 471,262</u>	<u>\$ 367,262</u>

4. FY2016 carry-over funds includes \$300,000 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

**Schedule NEP-12F
Insurance Fund**

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	1,802,547	1,802,547	1,802,547	1,802,547
Adjustments to funding from new docket effective 1/1/17	-	318,010	636,021	636,021
Income - Other	252	35	150	150
Carryover funds from prior year estimated ⁵	<u>2,655,031</u>	<u>2,366,192</u>	<u>1,405,912</u>	<u>1,412,112</u>
Total Sources	4,457,830	4,486,785	3,844,629	3,850,830
Less obligated uses of funds				
Elimination of "Due From Operations" - Settlement	0	741,914	0	0
Property & Casualty	888,977	941,925	979,602	1,018,787
Auto	184,060	160,482	166,901	173,577
Workers Compensation	922,823	1,088,017	1,110,738	1,155,167
Injuries & Damages	65,589	127,378	132,473	137,772
Safety Supplies & Other	12,845	3,149	3,275	3,406
Program Expense	<u>17,343</u>	<u>38,007</u>	<u>39,527</u>	<u>41,108</u>
Total Uses	2,091,638	3,080,873	2,432,517	2,529,818
End of Year Balance	<u>\$2,366,192</u>	<u>\$1,405,912</u>	<u>1,412,112</u>	<u>1,321,012</u>

5. FY2016 carry-over funds includes \$741,914 due from the Operating Fund created in 2010 when these funds were used to cover the revenue shortfall.

**Schedule NEP-12I
Revenue Reserve Fund**

Source of Funds	FY 2016	FY 2017	FY 2018	FY 2019
D4571 (effective 9/1/2015)	\$ 333,880	\$ 335,611	\$ 335,611	\$ 335,611
Adjustments to funding from new docket effective 1/1/17	-	15,881	31,761	31,761
Carryover funds from prior year estimated	<u>5,219,171</u>	<u>5,553,051</u>	<u>4,679,543</u>	<u>5,046,915</u>
Total Sources	\$ 5,553,051	\$ 5,904,543	\$ 5,046,915	\$ 5,414,287
Less obligated uses of funds				
Transfer to Restricted Funds*	<u>-</u>	<u>1,225,000</u>	<u>-</u>	<u>-</u>
Total Uses	\$ -	\$ 1,225,000	\$ -	\$ -
End of Year Balance	\$ 5,553,051	\$ 4,679,543	\$ 5,046,915	\$ 5,414,287

Providence Water Docket 4618

Records Request from Hearings January 31,2014

RR-15. (Providence Water) Please provide an itemization of the \$467,632 owed to operating from capital not including the \$1.225 million request. Please provide the same information for the insurance fund of \$135,922.

RESPONSE:

Based upon the recalculation of the restricted funds as requested in RR-14, there are no residual "due to's" from operations that are discussed in this request. When I tried to update the funds as of 12/31 because that was my understanding of the request at the time, I tried to do too much and I double counted the funding as both a due-to and included in the cash balance. Also there was a formula error in the spreadsheet. This is also the case with the \$135,922 noted in the Insurance Fund.

Providence Water Docket 4618

**Records Request from Hearings
January 31,2014**

RR-17. (Providence Water) Please provide the salaries and wages expense being included in the Settlement (update NEP-2).

RESPONSE:

See attached.

Schedule NEP-2
Payroll Expense Adjustment

PROVIDENCE WATER
Salaries & Wages

Total FY 2015 Salaries	\$	14,713,727
Less: Wages for Engineers Paid Directly from IFR		<u>(357,294)</u>
Actual Payroll Expense FY 2015	\$	14,356,433
Plus: Normalizing Adjustments(Workers Compensation)		<u>131,968</u>
Adjusted Test Year	\$	14,488,400
Pro-Forma Adjustments		
Plus: Step Increases	\$	262,858
Plus: Promotions		41,843
Plus: 14 New Employees		<u>643,020</u>
Sub-Total Step Increases/New Positions	\$	947,721
Settlement Adjustments:		
Remove 4 new positions	\$	(209,200)
Turnover savings	\$	(76,014)
Contractual Wage Increases	\$	(9,700)
Overtime	\$	<u>(100,000)</u>
	\$	(394,914)
Adjusted FY 2017 Salaries	\$	15,041,207
Contractual Increase *		<u>x 1.034</u>
Adjusted FY 2017 Salaries with Contract Raise	\$	15,552,608
Adjusted Test Year	\$	<u>14,488,400</u>
Pro-Forma Adjustment	\$	<u>1,064,208</u>

***Source: Union Contract Article VI, Section 1. Effective 7/1/15-6/30/18**
- 2% Increase on July 1, 2016 and 2.75% on July 1, 2017

Providence Water Docket 4618

Commission Record Request
January 31, 2017

RR-18. (Providence Water) Please provide the consumption for Calendar Year 2010 and Calendar Year 2011 (use the same method as is used for the FY consumption in the annual reports).

Response: See below. Retail HCF for CY 2011 was averaged between FY 2012 and FY2011 because reports were not available.

	<u>Calendar</u>	<u>Calendar</u>
	<u>Year End 2010</u>	<u>Year End 2011</u>
Water Sales (hcf)		
East Providence	2,147,622	2,114,538
East Smithfield	312,724	293,144
Greenville	439,381	435,920
Kent County	2,638,193	2,732,528
Smithfield	418,019	416,603
Warwick	4,666,427	4,277,107
Lincoln	1,110,003	1,006,096
Johnston	301,030	263,936
Bristol County	<u>1,394,889</u>	<u>1,535,820</u>
Wholesale	13,428,288	13,075,692
Residential	8,922,830	8,620,818
Commercial	4,486,692	4,338,804
Industrial	<u>186,788</u>	<u>191,533</u>
Retail	<u>13,596,310</u>	<u>13,151,154</u>
Total Consumption HCF	<u>27,024,598</u>	<u>26,226,846</u>

Providence Water Docket 4618

Commission Record Request
February 1, 2017

RR-20. (Providence Water) Please update Schedule HJS-15 adding a column for FY16 and updating the three-year average to include FY14, FY15 and FY16.

Response: See Attached.

Schedule HJS-15 Record Request 20 and 21
Projected Volumes

Calculation of Rate Year Sales Volumes
Rate Year Ending December 31, 2017
(Volumes in HCF)

Customer Class	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 (2)	Three Year Average	Adjustments (1)	Pro Forma Rate Year
Retail								
Residential	8,487,320	8,345,520	8,627,628	8,347,957	8,269,834	8,415,140	219,473	8,634,613
Commercial	4,392,712	4,565,034	3,903,139	4,230,647	4,251,054	4,128,280	6,873	4,135,153
Industrial	201,227	184,632	185,888	171,644	164,367	173,966	15,510	189,477
Sub-total Retail	13,081,259 49.75%	13,095,186 51.48%	12,716,655 49.17%	12,750,248 48.22%	12,685,256 49.25%	12,717,386	241,856	12,959,242
Wholesale								
East Providence	2,015,566	1,947,969	2,201,598	2,010,940	1,869,775	2,027,438		2,027,438
East Smithfield	279,817	272,257	278,534	318,959	280,994	292,829	(292,829)	-
Greenville	442,414	416,633	431,647	443,841	477,556	451,015		451,015
Kent County	2,800,752	2,424,743	2,561,361	2,561,821	2,381,066	2,501,416	(120,039)	2,381,377
Smithfield	438,706	436,247	497,433	477,254	427,370	467,352		467,352
Warwick	4,272,694	4,050,757	4,202,875	4,665,329	4,553,730	4,473,978		4,473,978
Lincoln	1,017,940	1,007,955	1,025,337	1,119,193	1,082,008	1,075,512		1,075,512
Johnston	262,814	204,366	337,577	433,844	421,362	397,594		397,594
Bristol County	1,682,988	1,580,779	1,608,984	1,663,045	1,579,991	1,617,340		1,617,340
Sub-total Wholesale	13,213,689 50.25%	12,341,706 48.52%	13,145,345 50.83%	13,694,224 51.78%	13,073,851 50.75%	13,304,474	(412,867)	12,891,606
Grand Total	26,294,948	25,436,892	25,862,000	26,444,473	25,759,107	26,021,860	(171,011)	25,850,849
Unaccounted for Water	3,691,429	4,017,104	3,046,994	3,119,179	3,275,145	3,147,106	-	3,147,106
(1) East Smithfield Retail								
Residential		218,471	228,489	219,570	210,360	219,473		
Commercial		4,155	3,409	5,763	11,446	6,873		
Industrial		9,770	8,049	12,469	26,012	15,510		
Total East Smithfield Retail		232,396	239,948	237,802	247,818	241,856		

1 Adjustments relate to the pending acquisition of the East Smithfield water utility and known decreases in projected demand by Kent County as discussed in the testimony of Harold Smith
2 Due to time constraints the Commercial and Industrial consumption for E. Smithfield in FY 2016 was estimated based on historical data.

Providence Water Docket 4618

Commission Record Request
February 1, 2017

RR-21. (Providence Water) Please update Schedules HJS-1, HJS-11a, and HJS-13 (Settlement) with the three-year consumption calculated in RR-20.

Response: Please see attached.

RR 21
WITHOUT PLOT

Schedule HJS-1 Record Request 20 and 21
Cost of Service Summary
Rate Year Ending December 31, 2017

Revenue	Adjusted Test Year	Combined Adjustments	Pro-Forma Old Rates	Additional Revenue Generated	Pro-Forma New Rates
Service Charge	\$ 7,367,470	\$ 236,052	\$ 7,603,522	\$ (29,225)	\$ 7,574,297
East Smithfield Debt Surcharge	-	-	-	84,650	84,650
Retail Sales	38,173,132	646,338	38,819,469	4,863,661	43,683,130
Wholesale Sales	17,732,706	(1,039,313)	16,693,393	895,399	17,588,792
Private Fire Protection	2,576,961	-	2,576,961	386,726	2,963,687
Retail FPSC	1,252,391	-	1,252,391	187,859	1,440,250
Public Fire Protection	1,124,390	-	1,124,390	168,659	1,293,049
Miscellaneous Revenue	1,083,232	350,379	1,433,611	-	1,433,611
Other	-	-	-	-	-
TOTAL REVENUE	\$ 69,310,282	\$ 193,456	\$ 69,503,738	\$ 6,557,728	\$ 76,061,465
Total Rate Revenues	\$ 68,227,050	\$ (156,923)	\$ 68,070,127	\$	\$ 74,627,854
Expenses					
Operations					
Operations and Maintenance	\$ 30,843,233	\$ 2,384,256	\$ 33,227,489	\$	\$ 33,227,489
Insurance	1,802,547	432,122	2,234,669		2,234,669
Chemical & Sludge	4,500,000	(1,700,000)	2,800,000		2,800,000
City Service	839,167	118,233	957,400		957,400
Property Taxes	6,540,728	416,455	6,957,183		6,957,183
Payment in Lieu of Taxes	-	-	-		-
Capital Reimbursement	(2,143,087)	(118,727)	(2,261,814)		(2,261,814)
Net Operations	\$42,382,588	\$1,532,338	\$43,914,926	\$	\$43,914,926
Capital					
Capital Fund	\$ 2,127,000	\$ -	\$ 2,127,000	\$	\$ 2,127,000
Western Cranston	62,069	(22,069)	40,000		40,000
Infrastructure Replacement Fund	24,000,000	3,400,000	27,400,000		27,400,000
Cash-Funded AMR/Meter Repl. Fund	1,000,000	(500,000)	500,000		500,000
Equipment Replacement Fund	600,000	-	600,000		600,000
Revenue Reserve Fund (Restricted)	335,611	30,131	365,742		365,742
Capital	\$28,124,680	\$2,908,062	\$31,032,742		\$31,032,742
TOTAL EXPENSES	\$70,507,268	\$4,440,399.82	\$74,947,668		\$74,947,668
Operating Reserve (Unrestricted)	\$1,039,150		\$1,097,225		\$1,097,225
Total Revenue Requirements Including Reserve Funding	\$71,546,418		\$76,044,892		\$76,044,892
Revenues Over (Under) Expenses	(\$2,236,135.89)		(\$6,541,155)		\$16,572.91
Total Increase to Break-Even			\$	\$ 6,557,728	\$ 9,411%
Rate Revenue Increase to Break-Even					9.61%

Notes:
Operating Reserve is ((A-B+C)-(D+E))*01
Revenue surplus results from rounding

Schedule HJS-11A Record Request 20 and 21
 Summary of Rates
 Rate Year Ending December 31, 2017

Consumption Charges

Monthly	Current Consumption Charge	Revised Consumption Charge (1)	\$ Increase	Originally Filed Consumption Charge	Delta
Retail Charges					
Residential (HCF)	\$ 3,044	\$ 3,432	\$ 0.39	\$ 3,531	\$ (0.099)
Commercial (HCF)	\$ 2,901	\$ 3,251	\$ 0.35	\$ 3,349	\$ (0.098)
Industrial (HCF)	\$ 2,848	\$ 3,197	\$ 0.35	\$ 3,299	\$ (0.102)
Wholesale Charges					
Consumption (HCF)	\$ 1,294.90	\$ 1,364,360	\$ 0.07	\$ 1,392,244	\$ (0.028)
Consumption (MG)	\$ 1,731.16	\$ 1,824.02	\$ 92.86	\$ 1,861.29	\$ (37.278)

Service Charges

Monthly	Current Retail Service Charge	Revised Retail Service Charge (1)	\$ Increase	Originally Filed Retail Service Charge	
5/8"	\$ 7.89	\$ 7.76	\$ (0.13)	\$ 7.83	\$ (0.070)
3/4"	\$ 8.32	\$ 8.25	\$ (0.07)	\$ 8.33	\$ (0.080)
1"	\$ 9.58	\$ 9.73	\$ 0.15	\$ 9.83	\$ (0.100)
1.5"	\$ 11.27	\$ 11.70	\$ 0.43	\$ 11.83	\$ (0.130)
2"	\$ 15.91	\$ 17.13	\$ 1.22	\$ 17.33	\$ (0.200)
3"	\$ 50.10	\$ 57.06	\$ 6.96	\$ 57.83	\$ (0.770)
4"	\$ 62.77	\$ 71.86	\$ 9.09	\$ 72.82	\$ (0.960)
6"	\$ 92.31	\$ 106.37	\$ 14.06	\$ 107.82	\$ (1.450)
8"	\$ 126.08	\$ 145.82	\$ 19.74	\$ 147.81	\$ (1.990)
10"	\$ 156.68	\$ 181.56	\$ 24.88	\$ 184.06	\$ (2.500)
12"	\$ 187.28	\$ 217.31	\$ 30.03	\$ 220.31	\$ (3.000)

Retail Fire Protection Service Charges (Providence Only)

Monthly	Current Providence Only Fire Protection Charge	Revised Providence Only Fire Protection Charge (1)	\$ Increase	Originally Filed Providence Only Fire Protection Charge	
5/8"	\$ 1.20	\$ 1.38	\$ 0.18	\$ 1.38	\$ -
3/4"	\$ 1.80	\$ 2.07	\$ 0.27	\$ 2.07	\$ -
1"	\$ 4.48	\$ 5.15	\$ 0.67	\$ 5.15	\$ -
1.5"	\$ 11.95	\$ 13.74	\$ 1.79	\$ 13.74	\$ -
2"	\$ 28.66	\$ 32.96	\$ 4.30	\$ 32.96	\$ -
3"	\$ 77.62	\$ 89.26	\$ 11.64	\$ 89.26	\$ -
4"	\$ 131.35	\$ 151.05	\$ 19.70	\$ 151.05	\$ -
6"	\$ 268.67	\$ 308.97	\$ 40.30	\$ 308.97	\$ -
8"	\$ 405.99	\$ 466.89	\$ 60.90	\$ 466.89	\$ -
10"	\$ 620.93	\$ 714.07	\$ 93.14	\$ 714.07	\$ -
12"	\$ 1,026.91	\$ 1,180.95	\$ 154.04	\$ 1,180.95	\$ -

Private Fire Service Charges

Monthly	Current Private Fire Service Charge	Revised Private Fire Service Charge (1)	\$ Increase	Originally Filed Private Fire Service Charge	
3/4"	\$ 7.51	\$ 8.64	\$ 1.13	\$ 8.64	\$ 0.004
1"	\$ 8.88	\$ 10.22	\$ 1.34	\$ 10.21	\$ 0.008
1-1/2"	\$ 10.93	\$ 12.57	\$ 1.64	\$ 12.57	\$ 0.001
2"	\$ 16.21	\$ 18.65	\$ 2.44	\$ 18.64	\$ 0.009
4"	\$ 69.28	\$ 79.68	\$ 10.40	\$ 79.67	\$ 0.008
6"	\$ 112.95	\$ 129.90	\$ 16.95	\$ 129.89	\$ 0.007
8"	\$ 171.07	\$ 196.74	\$ 25.67	\$ 196.73	\$ 0.010
10"	\$ 238.31	\$ 274.06	\$ 35.75	\$ 274.06	\$ 0.004
12"	\$ 319.69	\$ 367.65	\$ 47.96	\$ 367.64	\$ 0.007
16"	\$ 531.68	\$ 611.44	\$ 79.76	\$ 611.43	\$ 0.008

Public Fire Service Charges

Annual Hydrant	Current Public Fire Service Charge	Revised Public Fire Service Charge (1)	\$ Increase	Originally Filed Public Fire Service Charge	
	\$ 394.80	\$ 454.02	\$ 59.22	\$ 454.00	\$ 0.020

East Smithfield Debt Surcharge

Monthly	Current Surcharge	Proposed Surcharge (1)	\$ Increase	Originally Filed Surcharge	
All E. Smithfield Customers (HC)	\$ -	\$ 0.35	\$ 0.35	\$ 0.36	\$ (0.010)

1) Includes:

- Updated revenue requirements per rebuttal testimony of Nancy Parillo
- Corrected ES Units
- Corrected T&D Plant Split Per KCWA 1
- Gross plant values used to allocate capital costs
- Used Allocator TD to allocate gross plant investment in Distribution Reservoirs & Standpipes
- Corrected KCWA water sales projection
- Included additional miscellaneous revenue to reflect use of \$175,000 tax refund to offset revenue requirements

**Schedule HJS-13 Record Request 20 and 21
Typical Bill Comparison**

**Comparison of Typical Annual Charges
Rate Year Ending December 31, 2017**

	Proposed Rates	Existing Rates	% Change
Residential - (5/8" Meter, 100 HCF)			
Service Charge	\$ 93.12	\$ 94.68	-1.6%
Volume Charge	\$ 343.20	\$ 304.40	12.7%
Total	\$ 436.32	\$ 399.08	9.3%
Commercial - (2" Meter, 2,000 HCF)			
Service Charge*	\$ 205.56	\$ 190.92	7.7%
Volume Charge	6,502.00	5,802.00	12.1%
Total	\$ 6,707.56	\$ 5,992.92	11.9%
Industrial - (6" Meter, 10,000 HCF)			
Service Charge *	\$ 1,276.44	\$ 1,107.72	15.2%
Volume Charge	\$ 31,970.00	\$ 28,480.00	12.3%
Total	\$ 33,246.44	\$ 29,587.72	12.4%

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Schedule HJS-1 Record Request 20 and 21
Cost of Service Summary
Rate Year Ending December 31, 2017

Revenue	Adjusted Test Year	Combined Adjustments	Pro-Forma Old Rates	Additional Revenue Generated	Pro-Forma New Rates
Service Charge	\$ 7,367,470	\$ 236,052	\$ 7,603,522	\$(16,846)	\$ 7,586,677
East Smithfield Debt Surcharge	-	-	-	84,650	84,650
Retail Sales	38,173,132	646,338	38,819,469	5,105,372	43,924,841
Wholesale Sales	17,732,706	(1,039,313)	16,693,393	973,368	17,666,760
Private Fire Protection	2,576,961	-	2,576,961	386,726	2,963,687
Retail FPSC	1,252,391	-	1,252,391	187,859	1,440,250
Public Fire Protection	1,124,390	-	1,124,390	168,659	1,293,049
Miscellaneous Revenue	1,083,232	350,379	1,433,611	-	1,433,611
Other	-	-	-	-	-
TOTAL REVENUE	\$ 69,310,282	\$ 193,456	\$ 69,503,738	\$ 6,889,787	\$ 76,393,525
Total Rate Revenues	\$ 68,227,050	\$(156,923)	\$ 68,070,127	\$	\$ 74,959,914
Expenses					
Operations					
Operations and Maintenance	\$ 30,843,233	\$ 2,384,256	\$ 33,227,489	\$	\$ 33,227,489
Insurance	1,802,547	432,122	2,234,669		2,234,669
Chemical & Sludge	4,500,000	(1,700,000)	2,800,000		2,800,000
City Service	839,167	118,233	957,400		957,400
Property Taxes	6,540,728	416,455	6,957,183		6,957,183
Payment in Lieu of Taxes	-	326,000	326,000		326,000
Capital Reimbursement	(2,143,087)	(118,727)	(2,261,814)		(2,261,814)
Net Operations	\$42,382,588	\$1,858,338	\$44,240,926	\$	\$44,240,926
Capital					
Capital Fund	\$ 2,127,000	-	\$ 2,127,000	\$	\$ 2,127,000
Western Cranston	62,069	(22,069)	40,000		40,000
Infrastructure Replacement Fund	24,000,000	3,400,000	27,400,000		27,400,000
Cash-Funded AMR/Meter Repl. Fund	1,000,000	(500,000)	500,000		500,000
Equipment Replacement Fund	600,000	-	600,000		600,000
Revenue Reserve Fund (Restricted)	335,611	31,761	367,372		367,372
Capital	\$28,124,680	\$2,909,692	\$31,034,372		\$31,034,372
TOTAL EXPENSES	\$70,507,268	\$4,768,029.82	\$75,275,298		\$75,275,298
Operating Reserve (Unrestricted)	\$1,039,150		\$1,102,115		\$1,102,115
Total Revenue Requirements Including Reserve Funding	\$71,546,418		\$76,377,412		\$76,377,412
Revenues Over (Under) Expenses	(\$2,236,135.89)		(\$6,873,675)		\$16,112.52
Total Increase to Break-Even					9.89%
Rate Revenue Increase to Break-Even					10.10%

Notes:
Operating Reserve is ((A-B+C)-(D+E))*01
Revenue surplus results from rounding

Schedule HJS-11A Record Request 20 and 21
 Summary of Rates
 Rate Year Ending December 31, 2017

Consumption Charges

Monthly	Current Consumption Charge	Revised Consumption Charge (1)	\$ Increase	Originally Filed Consumption Charge	Delta
Retail Charges					
Residential (HCF)	\$ 3,044	\$ 3,451	\$ 0.41	\$ 3,531	\$ (0.080)
Commercial (HCF)	\$ 2,901	\$ 3,269	\$ 0.37	\$ 3,349	\$ (0.080)
Industrial (HCF)	\$ 2,848	\$ 3,214	\$ 0.37	\$ 3,299	\$ (0.085)
Wholesale Charges					
Consumption (HCF)	\$ 1,294.90	\$ 1,370.408	\$ 0.08	\$ 1,392.244	\$ (0.022)
Consumption (MG)	\$ 1,731.16	\$ 1,832.10	\$ 100.94	\$ 1,861.29	\$ (29.193)

Service Charges

Monthly	Current Retail Service Charge	Revised Retail Service Charge (1)	\$ Increase	Originally Filed Retail Service Charge	
5/8"	\$ 7.89	\$ 7.77	\$ (0.12)	\$ 7.83	\$ (0.060)
3/4"	\$ 8.32	\$ 8.27	\$ (0.05)	\$ 8.33	\$ (0.060)
1"	\$ 9.58	\$ 9.75	\$ 0.17	\$ 9.83	\$ (0.080)
1.5"	\$ 11.27	\$ 11.73	\$ 0.46	\$ 11.83	\$ (0.100)
2"	\$ 15.91	\$ 17.17	\$ 1.26	\$ 17.33	\$ (0.160)
3"	\$ 50.10	\$ 57.23	\$ 7.13	\$ 57.83	\$ (0.600)
4"	\$ 62.77	\$ 72.06	\$ 9.29	\$ 72.82	\$ (0.760)
6"	\$ 92.31	\$ 106.68	\$ 14.37	\$ 107.82	\$ (1.140)
8"	\$ 126.08	\$ 146.24	\$ 20.16	\$ 147.81	\$ (1.570)
10"	\$ 156.68	\$ 182.10	\$ 25.42	\$ 184.06	\$ (1.960)
12"	\$ 187.28	\$ 217.95	\$ 30.67	\$ 220.31	\$ (2.360)

Retail Fire Protection Service Charges (Providence Only)

Monthly	Current Providence Only Fire Protection Charge	Revised Providence Only Fire Protection Charge (1)	\$ Increase	Originally Filed Providence Only Fire Protection Charge	
5/8"	\$ 1.20	\$ 1.38	\$ 0.18	\$ 1.38	\$ -
3/4"	\$ 1.80	\$ 2.07	\$ 0.27	\$ 2.07	\$ -
1"	\$ 4.48	\$ 5.15	\$ 0.67	\$ 5.15	\$ -
1.5"	\$ 11.95	\$ 13.74	\$ 1.79	\$ 13.74	\$ -
2"	\$ 28.66	\$ 32.96	\$ 4.30	\$ 32.96	\$ -
3"	\$ 77.62	\$ 89.26	\$ 11.64	\$ 89.26	\$ -
4"	\$ 131.35	\$ 151.05	\$ 19.70	\$ 151.05	\$ -
6"	\$ 268.67	\$ 308.97	\$ 40.30	\$ 308.97	\$ -
8"	\$ 405.99	\$ 466.89	\$ 60.90	\$ 466.89	\$ -
10"	\$ 620.93	\$ 714.07	\$ 93.14	\$ 714.07	\$ -
12"	\$ 1,026.91	\$ 1,180.95	\$ 154.04	\$ 1,180.95	\$ -

Private Fire Service Charges

Monthly	Current Private Fire Service Charge	Revised Private Fire Service Charge (1)	\$ Increase	Originally Filed Private Fire Service Charge	
3/4"	\$ 7.51	\$ 8.64	\$ 1.13	\$ 8.64	\$ 0.004
1"	\$ 8.88	\$ 10.22	\$ 1.34	\$ 10.21	\$ 0.008
1-1/2"	\$ 10.93	\$ 12.57	\$ 1.64	\$ 12.57	\$ 0.001
2"	\$ 16.21	\$ 18.65	\$ 2.44	\$ 18.64	\$ 0.009
4"	\$ 69.28	\$ 79.68	\$ 10.40	\$ 79.67	\$ 0.008
6"	\$ 112.95	\$ 129.90	\$ 16.95	\$ 129.89	\$ 0.007
8"	\$ 171.07	\$ 196.74	\$ 25.67	\$ 196.73	\$ 0.010
10"	\$ 238.31	\$ 274.06	\$ 35.75	\$ 274.06	\$ 0.004
12"	\$ 319.69	\$ 387.65	\$ 47.96	\$ 387.64	\$ 0.007
16"	\$ 531.68	\$ 611.44	\$ 79.76	\$ 611.43	\$ 0.008

Public Fire Service Charges

Annual Hydrant	Current Public Fire Service Charge	Revised Public Fire Service Charge (1)	\$ Increase	Originally Filed Public Fire Service Charge	
	\$ 394.80	\$ 454.02	\$ 59.22	\$ 454.00	\$ 0.020

East Smithfield Debt Surcharge

Monthly	Current Surcharge	Proposed Surcharge (1)	\$ Increase	Originally Filed Surcharge	
All E. Smithfield Customers (HC)	\$ -	\$ 0.35	\$ 0.35	\$ 0.36	\$ (0.010)

1) Includes:

- Updated revenue requirements per rebuttal testimony of Nancy Parillo
- Corrected ES Units
- Corrected T&D Plant Split Per KCWA 1
- Gross plant values used to allocate capital costs
- Used Allocator TD to allocate gross plant investment in Distribution Reservoirs & Standpipes
- Corrected KCWA water sales projection
- Included additional miscellaneous revenue to reflect use of \$175,000 tax refund to offset revenue requirements

**Schedule HJS-13 Record Request 20 and 21
Typical Bill Comparison**

**Comparison of Typical Annual Charges
Rate Year Ending December 31, 2017**

	Proposed Rates	Existing Rates	% Change
Residential - (5/8" Meter, 100 HCF)			
Service Charge	\$ 93.24	\$ 94.68	-1.5%
Volume Charge	\$ 345.10	\$ 304.40	13.4%
Total	\$ 438.34	\$ 399.08	9.8%
Commercial - (2" Meter, 2,000 HCF)			
Service Charge*	\$ 206.04	\$ 190.92	7.9%
Volume Charge	6,538.00	5,802.00	12.7%
Total	\$ 6,744.04	\$ 5,992.92	12.5%
Industrial - (6" Meter, 10,000 HCF)			
Service Charge *	\$ 1,280.16	\$ 1,107.72	15.6%
Volume Charge	\$ 32,140.00	\$ 28,480.00	12.9%
Total	\$ 33,420.16	\$ 29,587.72	13.0%

Providence Water Docket 4618

Commission Record Request February 1, 2017

RR-25.(Providence Water) Please explain the relationship between the Providence Public Building Authority (PPBA) and the Providence Water Supply Board. Why did Providence Water purchase the property at 125 Dupont Drive instead of the PPBA.

Response:

Relationship between Providence Water and PPBA

In 1989, state legislation was passed which granted the Providence Public Buildings Authority (PPBA) eminent domain authority to acquire the development rights to a defined list of 45 parcels on the Scituate Reservoir watershed for water quality protection purposes. In addition, the PPBA had the authority to bond, which the Providence Water Supply Board (PWSB) did not, so the PWSB partnered with the PPBA to secure a \$15 million bond for acquisition of the 45 watershed parcels. The majority (36) of these 45 specific parcels have been acquired to date. As a condition of bonding through the PPBA, land acquisition process/activities were overseen by the PPBA and the PPBA attorney Mal Salvador. Providence Water is no longer acquiring land with PPBA bond money. PPBA Attorney Mal Salvador currently works with PWSB on a lingering eminent domain matter relating to one of the 45 watershed parcels.

Purchase of 125 Dupont Drive and the PPBA

It was always Providence Water's intent to purchase and own the property at 125 Dupont Drive. Providence Water was able to utilize and receive low interest financing through the Rhode Island Infrastructure Bank (RIIB).

Providence Water Docket 4618

Records Request from Hearings

January 31, 2014

RR-28. (Providence Water) Please provide an itemization of the overhead costs of \$2.1 million identified by Ms. Parrillo and how that figure was arrived at.

RESPONSE:

Overhead costs of \$2.1 million identified in the IFR 5-year plan that we are requesting funding for based on the settlement of Docket 4406 are based on the 3 year average of actual capitalized labor and overhead charged to the IFR in FY2014, FY2015, and 2016

Capitalized overhead is based on the work orders completed by the T&D department in support of IFR projects and salary and fringe associated with the Engineering personnel assigned directly to specific IFR projects.

Providence Water Docket 4618

Commission Record Request January 31, 2017

RR-29. (Providence Water) Please provide the reason for the increases in the following items in the Dimeo Order of Magnitude document: landscaping, millwork, drywall, and carpet.

Response: The original Dimeo Order of Magnitude was developed shortly after Providence Water's initial site visit and interest in the property. The Order of Magnitude was starting point for the anticipated renovations for each section of the building and site by applying a conservative rehabilitation square footage cost by the projected percentage of room.

The Guaranteed Maximum Price (GMP) is the subcontractors actual bid that was based on the defined scope of work outlined in the project specifications and on 100% Design Drawings. The projects millwork and carpet cost in the GMP reflect the bids that were awarded based on the scope of work identified in design drawings and specifications.

The drywall costs increased due to an expanded scope of work. During the demolition phase of the project, it was discovered that several corridors contained a sublayer of drywall that tested positive for asbestos and these corridors wall and ceilings had to be mitigated, removed and replaced. The drywall subcontractors scope of work also includes the installation of the doors and hardware, the installation of ceiling fireproofing and a furnishing and installation of an exterior insulation finishing system for the buildings main entrance.

The landscaping increase in costs reflect the permit requirements of the Rhode Island Department of Environmental Management, the City of Providence Planning Department and the City Department of Public Works. These approvals required the installation of a bioretention area, a drainage sand filter, landscaped parking lot islands and the removal of pavement to help mitigate contaminants from draining into Mashapaug Pond.

Providence Water Docket 4618

**Commission Record Request
January 31, 2017**

RR-30.(Providence Water) In the last three fiscal years, what percent of the cost of the main replacement / main rehabilitation work was allocated to police details?

Response: In the last three fiscal years, the percent of the cost of the main replacement / main rehabilitation work allocated to police details is 3 percent.