



November 22, 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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**William E. O'Gara, Esq.**  
Legal Advisor

RE: Dk 4618: Revenue Reserve Filing  
Dear Mrs. Massaro:

Enclosed please find an original and nine (9) copies of Providence Water's responses to the Bristol County Water Authority Data Request Set 1 dated November 2, 2017.

An electronic copy of this document has been provided to the service list. If you have any questions I can be reached at 521- 6300 extension 7217.

Sincerely,

Mary L. Deignan-White  
Senior Manager of Regulatory

cc: service list (via email)

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#### MEMBER

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PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Data Requests of the Bristol County Water Authority  
November 2, 2017

**BCWA 1-1:** Providence's exhibit NEP 1 only shows nine months of consumption data for FY 17. Please update this schedule with the full twelve months of consumption for FY 17.

**RESPONSE:**

See attached: BCWA 1-1 A.

Providence Water  
Water Sales (hcf) FY2017

BCWA 1-1A

EXHIBIT NEP1

Customer Class	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total	DK 4571/4618 *	Variance HCFE
Residential	865,280	986,204	878,547	764,403	601,242	635,524	615,405	506,869	587,071	444,909	610,876	693,876	8,190,206	8,556,556	(366,350)
Commercial	389,703	450,593	440,024	390,051	336,529	301,842	300,209	221,719	288,525	164,158	288,351	352,275	3,923,978	4,329,728	(405,750)
Industrial	14,073	15,656	16,839	15,100	14,552	12,710	11,691	14,531	13,033	14,066	13,479	19,966	175,696	189,588	(13,892)
Total Retail	1,269,056	1,452,452	1,335,411	1,169,553	952,323	950,075	927,304	743,119	888,630	623,133	912,706	1,066,118	12,289,881	13,075,872	(785,991)
Wholesale	1,710,084	1,697,409	1,330,410	1,065,036	741,951	950,813	921,131	744,108	737,903	931,355	901,289	1,239,766	12,971,255	12,896,445	74,810
Total Consumption	2,979,140	3,149,862	2,665,821	2,234,590	1,694,274	1,900,888	1,848,436	1,487,227	1,626,533	1,554,488	1,813,994	2,305,884	25,261,135	25,972,317	(711,182)

Customer Class	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total	DK 4571/4618	Variance \$\$\$
Residential	\$ 2,631,036	\$ 3,021,949	\$ 2,688,313	\$ 2,328,439	\$ 1,829,325	\$ 1,811,097	\$ 1,869,562	\$ 611,533	\$ 3,106,030	\$ 1,494,317	\$ 2,065,686	\$ 2,359,605	\$ 25,816,891	\$ 27,070,092	\$ (1,253,200.95)
Commercial	\$ 1,115,534	\$ 1,284,982	\$ 1,265,182	\$ 1,121,885	\$ 963,329	\$ 859,847	\$ 857,161	\$ 282,605	\$ 1,445,712	\$ 523,168	\$ 930,405	\$ 1,135,551	\$ 11,785,362	\$ 13,025,264	\$ (1,239,902.16)
Industrial	\$ 43,862	\$ 48,842	\$ 53,310	\$ 50,528	\$ 47,451	\$ 43,224	\$ 38,860	\$ 39,151	\$ 59,131	\$ 49,760	\$ 51,575	\$ 55,198	\$ 580,891	\$ 560,234	\$ 20,657.50
Total Retail	\$ 3,790,432	\$ 4,355,772	\$ 4,006,805	\$ 3,500,852	\$ 2,840,105	\$ 2,714,168	\$ 2,765,583	\$ 933,289	\$ 4,610,872	\$ 2,067,245	\$ 3,047,666	\$ 3,550,355	\$ 38,183,144	\$ 40,655,590	\$ (2,472,445.61)
Wholesale	\$ 2,214,400	\$ 2,197,988	\$ 1,722,759	\$ 1,379,124	\$ 960,798	\$ 1,230,985	\$ 1,197,780	\$ 971,969	\$ 1,057,719	\$ 1,197,211	\$ 1,217,513	\$ 1,674,748	\$ 17,017,954	\$ 16,940,160	\$ 77,794.33
Total Consumption Revenue	\$ 6,004,832	\$ 7,377,721	\$ 5,729,564	\$ 4,879,976	\$ 3,800,862	\$ 3,945,153	\$ 3,958,363	\$ 1,905,258	\$ 5,668,592	\$ 3,264,456	\$ 4,265,179	\$ 5,225,103	\$ 55,201,099	\$ 57,595,750	\$ (2,394,651.28)

\* NOTE: based on 8 months calculated at Docket 4571 rates and 4 months at Docket 4618 rates.

PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Data Requests of the Bristol County Water Authority  
November 2, 2017

**BCWA 1-2:** Ms. Parrillo's testimony on page 3, lines 5-6 indicates that the balance of the Restricted Revenue Reserve Account is \$4,669,372.94 as of August 31, 2017, and that the account is "fully funded as of August 31, 2017."

- a. Please explain what Ms. Parrillo means when she says the account is "fully funded."
- b. How did Ms. Parrillo arrive at the conclusion that the account was fully funded as of August 31, 2017?
- c. Please provide all calculations and reference all past orders Ms. Parrillo relied on to support her claim that the account was fully funded as of August 31, 2017.
- d. Has Providence continued to fund this account after August 31, 2017?
- e. If Providence has not continued to fund this account after August 31, 2017, what has Providence done with the money provided in rates to fund this account?

**RESPONSE:**

- a. "Fully funded" means that Providence Water has made the transfer of rate funds from Operations to the Restricted Revenue fund as agreed to in the compliance filing of Docket 4618 as well as prior dockets.
- b. All transfers had been made as there was no "Due From Operations" on our general ledger.
- c. In FY2017, the transfer amount of \$27,967.58 (1/12<sup>th</sup> of the \$335,610.96 amount agreed to in Docket 4571) was made eight (8) times for the first eight (8) months of the year that Docket 4571 was in effect. When Docket 4618 was approved in February of 2017, the amount allowed to be transferred from rates in the final compliance filing was \$30,176.58 per month. A total amount transferred was \$90,529.74, representing three (3) of the final four (4) months of FY2017. The final transfer of \$30,176.58 the month of June was accrued for in the "Due From Operations" account at year-end.
- d. Transfers of rates from Operations to the Restricted Revenue Fund for June of FY2017, July, and August were completed in July, August and September of FY2018 respectively.  
Yes, Providence Water has continued to fund this account. The last transfer was in September. The transfer for the month of October will be made in November.
- e. N/A as Providence Water continues to fund the account.

PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Data Requests of the Bristol County Water Authority  
November 2, 2017

**BCWA 1-3:** Please provide schedules in the same format as NEP 12A – 12I as submitted in Providence's original filing in Docket 4618 that show actual numbers for FY17 and FY 18 to date for each of Providence's restricted accounts.

**RESPONSE:**

Please see Schedules BCWA 1-3A through F attached.

BCWA 1-3A

Schedule NEP-12A  
Capital Fund

Source of Funds	As of 10/31/2017	
	FY 2017	FY2018
D4571 (effective 9/1/2015)	\$ 2,127,000	\$ -
Funding from new docket effective 2/16/17	-	354,500
Transfer from Revenue Reserve per Docket 4618	1,225,000	
Bond CWFA 2015	12,245,984	1,583,329
Clear Interfund / Interest Income	11,506	-
Carryover funds from prior year estimated	8,708,874	9,942,398
<b>Total Sources</b>	<b>\$ 24,318,364</b>	<b>\$ 11,880,227</b>
<b>Less obligated uses of funds:</b>		
RICWFA Debt (2015)	500,471	1,595,348
Sub-total Debt Service	\$ 500,471	\$ 1,595,348
125 Dupont Drive	11,535,407	1,583,329
Cash Funded Projects	2,340,088	1,134,432
<b>Total Uses</b>	<b>\$ 14,375,966</b>	<b>\$ 4,313,110</b>
<b>End of Year Balance</b>	<b>\$ 9,942,398</b>	<b>\$ 7,567,118</b>
<b>Due From/ (To) Operations</b>	<b>\$ (6,195)</b>	<b>\$ 148,529</b>

BCWA 1-3 B

Schedule NEP-12B  
Western Cranston Fund

Source of Funds	As of 10/31/2017	
	FY 2017	FY2018
D4571 (effective 9/1/2015)	\$ 41,379	
Funding from new docket effective 2/16/17	\$ 13,333	\$ 6,667
Impact Fees estimated	60,570	75,250
Misc. Revenue	110	
Carryover funds from prior year estimated	465,003	321,443
<b>Total Sources</b>	<b>\$ 580,396</b>	<b>\$ 403,360</b>
<b>Less obligated uses of funds</b>		
RICWFA 2002B (P)	157,324	159,776
RICWFA 2002 (Pippin Main & WilburPS) (I)	13,596	-
Sub-total Debt Service	\$ 170,920	\$ 159,776
Cash Funded Projects	88,032	-
<b>Total Uses</b>	<b>\$ 258,953</b>	<b>\$ 159,776</b>
<b>End of Year Balance</b>	<b>\$ 321,443</b>	<b>\$ 243,584</b>
<b>Due From/ (To) Operations</b>	<b>\$ 27,302</b>	<b>\$ 30,636</b>



BCWA 1-3 C

Schedule NEP-12C  
IFR Replacement Fund

Source of Funds	As of 10/31/2017	
	FY 2017	FY2018
D4571 (effective 9/1/2015)	16,000,000	
Funding from new docket effective 2/16/17	10,825,000	9,100,000
New Bond 2017 Est	279,250	
Carryover funds from prior year estimated	<u>\$5,459,520</u>	<u>\$2,799,455</u>
<b>Total Sources</b>	<b>\$ 32,563,770</b>	<b>\$ 11,899,455</b>
<b>Less obligated uses of funds:</b>		
RICWFA (Arra) \$9.3M (P&I)	492,389	404,617
RICWFA \$35M 2008 (P&I)	2,447,674	1,734,899
RICWFA \$25M 2013 (P&I)	1,547,944	1,275,594
RICWFA \$8M 2014 (P&I)	502,397	411,492
East Smithfield RICWFA 2013 (P&I)	40,222	31,150
East Smithfield RICWFA 2008 (P&I)	14,725	12,275
Est. New Debt Service	-	59,484
Sub-total Debt Service	<u>\$ 5,045,351</u>	<u>\$ 3,929,511</u>
Cash Funded Projects	\$ 24,718,964	\$ 5,710,175
<b>Total Uses</b>	<b>\$ 29,764,315</b>	<b>\$ 9,639,686</b>
<b>End of Year Balance</b>	<u><b>\$ 2,799,455</b></u>	<u><b>\$ 2,259,769</b></u>
<b>Due From/ (To) Operations</b>	<u><b>\$ 2,246,988</b></u>	<u><b>\$ 802,603</b></u>



Schedule NEP-12D  
AMR/Meter Replacement Fund

Source of Funds	FY 2017	As of 10/31/2017
		FY2018
D4571 (effective 9/1/2015)	666,667	
Funding from new docket effective 2/16/17	166,667	250,001
ESWD debt service surcharge		
Interest Income / clear Interfund	2,224	8,267
Carryover funds from prior year estimated	2,550,180	2,436,383
<b>Total Sources</b>	<b>\$ 3,385,737</b>	<b>\$ 2,694,651</b>
<b>Less obligated uses of funds</b>		
Expenses	428,082	243,626
East Smithfield RICWFA (Arra) \$400,000	14,532	27,461
Meter Replacement, Test & Repair	506,741	117,221
<b>Total Uses</b>	<b>\$ 949,355</b>	<b>\$ 388,308</b>
<b>End of Year Balance</b>	<b>\$ 2,436,383</b>	<b>\$ 2,306,343</b>
<b>Due From/ (To) Operations</b>	<b>\$ 174,344</b>	<b>\$ 72,756</b>

Schedule NEP-12E  
Equip/Vehicle Replacement Fund

As of 10/31/2017

FY2018

Source of Funds

FY 2017

D4571 (effective 9/1/2015)	400,000	
Funding from new docket effective 2/16/17	200,000	100,000
Clear Interfund / reimbursements	21,829	23,340
Accounts Payable	425,681	(425,681)
Carryover funds from prior year estimated	1,443,922	1,931,539
<b>Total Sources</b>	<b>2,491,431</b>	<b>1,629,198</b>

Less obligated uses of funds

Vehicle and Equipment purchases	297,652	-
Computer Equipment purchases	118,759	90,950
Office Furniture purchases	7,800	9,503
Security Equipment	-	-
Shop & Plant Equipment	135,682	23,121
Transfer to Operations - Reimbursement	-	150,000
<b>Total Uses</b>	<b>559,893</b>	<b>273,573</b>

End of Year Balance

\$ 1,931,539

\$ 1,355,624

Due From/ (To) Operations

\$ (156,490)

\$ 42,750

Schedule NEP-12F  
Insurance Fund

		As of 10/31/2017
Source of Funds	<u>FY 2017</u>	<u>FY2018</u>
D4571 (effective 9/1/2015)	1,201,698	
Funding from new docket effective 2/16/17	767,671	383,686
Reimbursements / Interest Income	49,373	7,294
Carryover funds from prior year estimated	<u>1,487,593</u>	<u>1,552,125</u>
<b>Total Sources</b>	<b>3,506,336</b>	<b>1,943,104</b>
<b>Less obligated uses of funds</b>		
Property & Casualty	992,720	1,065,909
Workers Compensation	821,302	374,865
Injuries & Damages	110,971	14,703
Safety Supplies & Other	5,149	-
Program Expense	<u>24,069</u>	<u>-</u>
<b>Total Uses</b>	<b>1,954,211</b>	<b>1,455,477</b>
<b>End of Year Balance</b>	<b>\$ <u>1,552,125</u></b>	<b>\$ <u>487,627</u></b>
<b>Due From/ (To) Operations</b>	<b>\$ <u>144,922</u></b>	<b>\$ <u>408,995</u></b>

Schedule NEP-12G  
Chemicals/Sludge Maint. Fund

As of 10/31/2017

Source of Funds	<u>FY 2017</u>	<u>FY2018</u>
D4571 (effective 9/1/2015)	3,000,000	
Funding from new docket effective 2/16/17	933,333	466,667
Clear Interfund Activity	13,934	(4,824)
Carryover funds from prior year estimated	<u>2,758,347</u>	<u>3,742,834</u>
<b>Total Sources</b>	<b>\$ 6,705,615</b>	<b>\$ 4,204,677</b>
<b>Less obligated uses of funds</b>		
Reimburse CIP for borrowing	-	-
Chemicals	1,331,015	566,943
Professional Engineers	22,847	
Sludge Maintenance	<u>1,608,918</u>	<u>1,608,918</u>
<b>Total Uses</b>	<b>\$ 2,962,780</b>	<b>\$ 2,175,861</b>
<b>End of Year Balance</b>	<b>\$ 3,742,834</b>	<b>\$ 2,028,816</b>
<b>Due From/ (To) Operations</b>	<b>\$ (59,593)</b>	<b>\$ 181,565</b>

Schedule NEP-12H  
Property Tax Refund Fund

	<u>FY 2017</u>	<u>As of 10/31/2017</u> <u>FY2018</u>
<b>Source of Funds</b>		
D4571 (effective 9/1/2015)	-	-
Funding from new docket effective 2/16/17		
Foster Tax Refund	175,000	190,000
Carryover funds from prior year estimated	578,249	607,509
<b>Total Sources</b>	<b>\$ 753,249</b>	<b>\$ 797,509</b>
 <b>Less obligated uses of funds</b>		
Transfer to Operations-Tax Reimb & Foster refund	145,740	175,000
<b>Total Uses</b>	<b>\$ 145,740</b>	<b>\$ 175,000</b>
 <b>End of Year Balance</b>	<b>\$ 607,509</b>	<b>\$ 622,509</b>
<b>Due From/ (To) Operations</b>	<b>\$ (4,611)</b>	<b>\$ (4,611)</b>

Schedule NEP-12I  
Revenue Reserve Fund

As of 10/31/2017

FY2018

**Source of Funds**

	<u>FY 2017</u>	
D4571 (effective 9/1/2015)	\$ 170,014	
Funding from new docket effective 2/16/17	90,530	144,256
Interest Income	23,977	
Carryover funds from prior year estimated	<u>5,553,051</u>	<u>4,612,573</u>
<b>Total Sources</b>	<b>\$ 5,837,573</b>	<b>\$ 4,756,829</b>

**Less obligated uses of funds**

Clear Interfund		27,103
Transfer to Restricted Funds - Capital Fund Per Dkt 4618	<u>1,225,000</u>	<u>-</u>
<b>Total Uses</b>	<b>\$ 1,225,000</b>	<b>\$ 27,103</b>

**End of Year Balance**

	<u>\$ 4,612,573</u>	<u>\$ 4,729,726</u>
<b>Due From/ (To) Operations</b>	<b>\$ 56,801</b>	<b>\$ 30,177</b>

BCWA 1-3 J

Schedule NEP-12J  
Private Side Lead service Replace.  
(New in Docket 4618)

Source of Funds	As of 10/31/2017	
	FY 2017	FY 2018
Dockets 4571 (effective 9/1/2015)	\$ -	
Funding from new docket effective 2/16/17	83,333	250,000
Carryover funds from prior year estimated	-	83,333
<b>Total Sources</b>	<b>\$ 83,333</b>	<b>\$ 333,333</b>
<b>Less obligated uses of funds</b>		
Transfer to Restricted Funds		-
<b>Total Uses</b>	<b>\$ -</b>	<b>\$ -</b>
<b>End of Year Balance</b>	<b>\$ 83,333</b>	<b>\$ 333,333</b>
<b>Due From/ (To) Operations</b>		<b>\$20,833</b>



PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Data Requests of the Bristol County Water Authority  
November 2, 2017

**BCWA 1-4:** On page 2 of her testimony, Ms. Parrillo indicates that the decline in consumption is an ongoing trend.

- a. Does Providence agree that the Commission set rates in Docket 4061 based on consumption figures for calendar year 2009? If not, why not?
- b. Does Providence agree that the total consumption for the calendar year 2009 was 25,760,032 hcf? If not, why not?
- c. Does Providence agree that new rates based on the consumption figures for calendar year 2009 in Docket 4061 became effective on April 27, 2010? If not, why not?
- d. Does Providence agree that the rates set in Docket 4061, based on calendar year 2009 consumption, were in place until the Commission set new rates in Docket 4571? If not, why not?
- e. Does Providence agree that new rates in Docket 4571 became effective on September 1, 2015? If not, why not?
- f. Based on the total consumption figures set forth in Exhibit NEP2, does Providence agree that in Fiscal Years 2011, 2012, 2014 and 2015 that total consumption exceeded the 25,760,032 hcf used to set rates in Docket 4061? If not, why not?
- g. Please explain what Providence did with the extra revenue collected in Fiscal Years 2011, 2012, 2014 and 2015.

**RESPONSE:**

**BCWA 1-4, a through f:** Yes.

**BCWA 1-4 g.** Please See objection filed on November 8, 2017.

Providence Water Docket 4618

**Bristol County Water Authority Data Request – Set 1**  
**November 2, 2017**

BCWA 1-5. Please provide Providence's actual revenues and expenses for Fiscal Year 2017 in the same format used in HJS-1 (Cost of Service Summary) submitted with Providence's original rate application in Docket 4618.

Response: Please see attached Cost of Service Summary for actual revenues and expenses for Fiscal Year 2017.

**Providence Water  
Cost of Service Summary  
Dockete 4618**

**PUC DR 1-5  
11/2/2017**

	<b>DK 4618 New Rates</b>	<b>FYE 2017 Actuals *</b>
<b><u>Revenue</u></b>		
Service Charge	\$ 7,384,218	\$ 7,401,807
East Smithfield Surcharge	84,650	30,320
Retail Sales	43,311,637	37,983,833
Wholesale Sales	17,414,729	17,007,837
Private Fire Protection	2,963,456	2,902,806
Retail FPSC	1,440,250	1,189,280
Public Fire Protection	1,293,049	1,208,390
Miscellaneous	1,433,611	1,465,872
Total Revenue	\$ 75,325,600	\$ 69,190,145
<b><u>Expenses</u></b>		
Operations and Maintenance	\$ 32,653,706	\$ 30,739,175
Insurance	2,302,113	1,969,069
Chemical	2,800,000	3,933,333
City Service	839,167	839,167
Property Taxes	6,957,183	6,693,737
Capital Reimbursement	(2,261,814)	(1,856,408)
Net Operations	\$ 43,290,355	\$ 42,318,073
<b><u>Capital</u></b>		
Property Tax Refund	\$ -	\$ (116,667)
Capital Fund	2,127,000	2,127,000
WCWDS	40,000	54,713
IFR Fund	27,300,000	22,825,000
AMR/Meter Replacement	500,000	666,665
Equipment Replacement	600,000	600,000
Lead Service Replacement	-	83,333
Revenue Reserve	362,119	344,447
Total Capital	\$ 30,929,119	\$ 26,584,491
<b>Total Expenses &amp; Transfers</b>	<b>\$ 74,219,474</b>	<b>\$ 68,902,564</b>
Unrestricted Operating Reserve **	\$ 1,086,356	\$ 1,050,360
<b>Total Revenue Requirement</b>	<b>\$ 75,305,830</b>	<b>\$ 69,952,924</b>
Revenues over (under) Expenses	\$ 19,770	\$ (762,779)

**Notes:**

The above revenues only include approximately 4 months at new rates.

Transfers to restricted funds are actual amounts not accrued.

\* The above amounts are not final numbers as the audit is not complete.

\*\* Unrestricted Operating reserve calculation is based on DK 4618 actuals.

Providence Water Docket 4618

**Bristol County Water Authority Data Request – Set 1**  
**November 2, 2017**

BCWA 1-6. Please identify any expenditures that Providence was not able to make, or had to defer, in Fiscal Year 2017 as a result of the reduction in consumption identified in Ms. Parrillo's testimony.

Response: Please see PUC data request 1-7 filed on November 22, 2017.