



January 9, 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

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 second set of data requests from Bristol County Water Authority dated December 19, 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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Providence Water Supply Board  
Docket 4618  
Bristol County Water Authority– Set 2  
December 19, 2017

**BCWA 2-1:** In response to BCWA 1-4, Providence Water acknowledged that in Fiscal Years 2011, 2012, 2014 and 2015, its total consumption exceeded the 25,760,032 hcf used to set rates in Docket 4061. For each year, please identify the amount of total revenue Providence collected, and for each year, set forth the amount of revenue that exceeded the total revenue set by the Commission in Docket 4061.

Response: See attached spreadsheet.

Providence Water  
BCWA 2-1 Response

<u>Fiscal Year</u>	<u>Docket</u>	<u>Approved Revenue</u>	<u>Actual Revenue *</u>	<u>Over/(Under) Approved Revenue</u>
2011	4061	\$ 60,252,853	\$ 62,247,350	\$ 1,994,497
2012	4061	\$ 60,252,853	\$ 60,027,099	\$ (225,754)
2013	4061	\$ 60,252,853	\$ 59,151,653	\$ (1,101,200)
2014	4061/4406 **	\$ 63,889,805	\$ 61,212,261	\$ (2,677,544)
2015	4406	\$ 67,526,756	\$ 67,499,955	\$ (26,801)
2016	4406/ 4571 **	\$ 69,292,206	\$ 67,484,197	\$ (1,808,009)

\* Actual Revenues do not include non-operating revenues, such as Water Quality Protection

\*\*Blended to reflect new rates effective 12/7/2013 and 9/1/2015

PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Second Data Requests of the Bristol County Water Authority  
December 19, 2017

**BCWA 2-2:** Attached to this data request are documents produced by Providence Water in the consolidated cases of *Town of Burrillville vs. Clear River Energy, LLC, et. al.* (P.C. No. 2017-1039) and *Conservation Law Foundation, Inc. vs. Clear River Energy, LLC, et. al.* (P.C. No 2017-1037). The consumption numbers for Fiscal Years 2014, 2015 and 2016 in these documents differ from the consumption numbers in NEP2A. Please explain the reason for the discrepancy and state which numbers are correct.

**RESPONSE:**

The data requested in the consolidated cases of Town of Burrillville and Conservation Law Foundation vs Clear River Energy, LLC was from a report given to the General Manager's office. The Wholesale Account information is for the calendar years 2014, 2015, and 2016, information for Retail Accounts was incorrect due to an error in the manual calculations the fiscal years 2014, 2015, and 2016. The numbers provided on NEP2A are correct.

PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Second Data Requests of the Bristol County Water Authority  
December 19, 2017

**BCWA 2-3:** In Providence's January 30, 2017 response to Hearing Record Request 5 (RR-5) in Docket 4618, Providence projected that it would have a balance of \$4,197,004 in its restricted Capital Account at the end of Fiscal Year 2017. The restricted account report for the quarter ending September 30, 2017 that Providence submitted to the Commission shows an opening cash balance of \$9,942,398.29 in the restricted Capital Account on July 1, 2017. Please fully explain in detail the reasons for the difference in the balance projected on January 30, 2017 and the actual balance on July 1, 2017.

**RESPONSE:**

The cash balance projected in the response to Hearing Record Request 5 (RR-5) in Docket 4618 was based on anticipated spending out of that fund for various projects listed on the Capital Improvement Plan filed in Docket 4618. See Testimony by Nancy E. Parrillo, Exhibit SS NEP – 12A - 1 filed on May 16, 2016.

As of September 30, 2017, most of the \$2 million for the renewable energy work had not yet been invoiced. The virtualization project budgeted for \$1.5 million in 2017 had not yet been invoiced and is still ongoing. The GIS / Asset Management system is still on-going and has not been fully invoiced.

We anticipate that these projects will be completed in early 2018 which will bring the Capital Fund cash balances back in line to the originally projected levels.

Providence Water Supply Board  
Docket 4618  
**Bristol County Water Authority– Set 2**  
**December 19, 2017**

BCWA 2-4: In data request 1-5, the BCWA asked Providence to provide its “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.” In response, Providence produced an exhibit with two columns “DK 4618 New Rates” and “FYE 2017 Actuals.” Please explain what the column “DK 4618 New Rates” represents, and how it differs from “FYE 2017 Actuals.”

Response: The column “DK 4618 New Rates” matches the last column of the Cost of Service Summary (HJS-1). See attachment (E) filed with Providence Water’s Compliance filing dated February 16, 2017. The column “FYE 2017 Actuals” details Providence Water’s actual revenues and expenses for FYE 6/30/2017 in the same format as the Cost of Service Summary HJS-1 as requested in BCWA 1-5.

PROVIDENCE WATER SUPPLY BOARD  
Docket No. 4618  
Second Data Requests of the Bristol County Water Authority  
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**BCWA 2-5:** In response to BCWA 1-3, Providence identified end of the year balances for its restricted accounts. Please explain why there is a "Due from/ (To) Operations" for each account, and how the "Due from/ (To) Operations" works, including an explanation of how money is transferred between operations and the restricted accounts.

**RESPONSE:**

There is a "Due to/From" Operations for each account as money is owed between the operating and restricted funds.

Different transactions may cause these "Due to/from" entries to occur. A "due to" is a liability and a "due from" is an asset.

All monies received from billings are collected through our lockbox account and then transferred to the Operations checking account recorded in the Operations Fund. Providence Water pays operating expenses first from the operating fund. The balance of the cash is transferred to the restricted funds based on need and availability of cash. A "Due to/from" is the result of cash being owed between funds.