

# **GENERAL RATE FILING**

**DIRECT TESTIMONY  
OF Christopher Jacobs**

January 2018

Submitted to:  
State of Rhode Island and Providence  
Plantations Public Utilities Commission

RIPUC Docket No.

Submitted by:

SUEZ Water Rhode Island Inc.

SUEZ WATER RHODE ISLAND  
CHRISTOPHER JACOBS

1 **Q. Please state your name and business address.**

2 A. My name is Christopher Jacobs and my business address is P.O. Box 429, 10  
3 High St. Suite K Wakefield, RI 02879

4  
5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by SUEZ Water Rhode Island ("SWRI" or the "Company") as its  
7 Operations Manager.

8  
9 **Q. Please describe your duties as Operations Manager.**

10 A. My overall responsibility is to oversee the day-to-day operations of our water  
11 system. This includes supervising the daily operations and maintenance of the  
12 system, and planning for future improvements and additions to the system that are  
13 necessary to provide adequate and reliable value for money service to our  
14 customers. SWRI has a small locally based staff, I am supported managerially and  
15 technically by Divisional staff and SUEZ Water Management and Services  
16 ("SWM&S") staff. Specifically, I work with the financial and engineering staff of  
17 SWM&S in the planning of capital improvements. It's also my responsibility to keep  
18 the expenditures for such projects within budget and monitor expenses to remain  
19 within the annual operating budget that I prepare. As part of this responsibility, I  
20 control the Company's purchases, inventory and accounts receivable and payable.  
21 My duties include communicating with customers and assisting them with their  
22 overall water service needs.

23

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1 As Operations Manager I am involved in coordinating with the regulatory  
2 agencies that oversee water company operations and the responsibility for the  
3 filings made with those agencies. These agencies include the Rhode Island  
4 Department of Health (“RIDOH”), Department of Environmental Management  
5 (“DEM”), Rhode Island Water Resources, Federal Environmental Protection  
6 agency (“EPA”), Occupational Safety and Health Administration (“OSHA”) and  
7 Rhode Island Public Utilities Commission. I’m also a board member of the SUEZ  
8 Water Diversity and Inclusion Committee.

9  
10 **Q. Briefly describe your business experience with the Company.**

11 A. I have held my current position since November 2015. Before transferring to  
12 Wakefield, I was the Project Manager for the SUEZ Pawtucket, RI project. The  
13 Pawtucket Project is part of SUEZ Water’s contract operation segment. My duties  
14 consisted of Client and Union relations, day to day operations, financial and capital  
15 management as well as Federal and State compliance reporting. I hold a Class 4  
16 Water Treatment Operators Certificate and have over 20 years’ of progressive  
17 experience in the Water Treatment Industry.

18  
19 **Q. What is the purpose of your direct testimony?**

20 A. I will provide a history and description of the Company, discuss cost control  
21 measures, current Company initiatives/infrastructure improvements, the change  
22 from quarterly billing to monthly billing, establishment of a missed appointment  
23 charge and changes in the tariff regarding backflow prevention.

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1 **Q. Please briefly describe the history of SWRI.**

2 A. SWRI, was originally established as The Wakefield Water Company, it was  
3 incorporated in 1887 by four local investors. The original purpose of the utility was  
4 to furnish a supply of high quality water to the Town of South Kingstown and  
5 “vicinity”. The “vicinity” became the Town of Narragansett in the year 1901. In  
6 1956, General Waterworks purchased The Wakefield Water Company and  
7 steadily improved the system to accommodate growth and regulatory  
8 requirements. In April 1994, SUEZ Water Resources Inc. merged with GWC  
9 Corporation, the parent of General Waterworks. In March, 1995 the Wakefield  
10 Water Company was renamed United Water Rhode Island (“UWRI”). In 2015  
11 SUEZ Water changed names to SUEZ Water Rhode Island (“SWRI”) and employs  
12 ten (10) full time employees who serve our ‘customers’ needs.

13

14 **Q. Briefly describe the Company’s service area and facilities.**

15 A. As of December 31, 2017, the end of the test year established in this proceeding,  
16 the Company was serving 7,481 metered residential customers, 674 commercial  
17 customers, 9 industrial customers, 87 municipal customers, 2 wholesale and 202  
18 private fire customers, all in the towns of South Kingstown and Narragansett. The  
19 Company also provides public and private fire protection in both of these  
20 communities. Water service to these customers is provided by seven (7) wells  
21 located in two (2) well fields. The Tuckertown Well Field has four (4) gravel packed  
22 wells. These wells are located in gravel and coarse sand, inter-bedded with less  
23 permeable, finer grained outwash. These wells range from 48-70 feet in depth, and

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1 are located in the Mink Brook Aquifer. The Howland Well Field contains the  
2 remaining three (3) wells. These wells are also located in the Mink Brook Aquifer,  
3 but are set primarily in fine sand, with small amounts of coarse sand and gravel,  
4 and are in a depth range of 85' and 100'. Currently production capacity of both well  
5 fields yields approximately 7.3 million gallons per day to the system.

6  
7 **Q. Does the Company have additional property or the ability to develop**  
8 **additional supply if needed?**

9 A. Although the SUEZ water supply system would appear to possess sufficient  
10 available water supply volumes to accommodate existing and short term future  
11 user demands, the continued potential for system expansion, as well as the need  
12 for prudent system planning, dictates an approach which seeks to maintain  
13 adequate quantities of available water into the future. Although the information  
14 presented would appear to portray favorably on the operations of the water supply  
15 system, it remains incumbent on SUEZ to be aware of the possible alternative  
16 water supply sources available.

17  
18 Essentially, three possible sources of alternative water supplies are  
19 available to SUEZ: purchased water from neighboring utilities; surface water  
20 source development; and additional groundwater source development.

21 Purchased water is available to SUEZ from the Town of North Kingstown Water  
22 Department via the Narragansett Water Division's North End system. However,  
23 the fact that North Kingstown does not possess sufficient surplus supply, along

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1 with current limitations in the hydraulics of SUEZ's distribution network, precludes  
2 this alternative from being viable.

3  
4 With respect to development of surface water supply sources, local supplies  
5 such as Miry Run and Worden Pond could be investigated. By their very nature,  
6 such supplies would require considerable more treatment measures than those  
7 currently employed for existing groundwater sources. In addition, SUEZ's ability  
8 to protect the integrity of such sources would be very limited. Essentially, the  
9 viability of this course of action is also minimal.

10  
11 The third and final option available to SUEZ is the development of additional  
12 groundwater supply sources. SUEZ maintains an adequate level of supply at  
13 present and can meet anticipated future demands with the current groundwater  
14 supply wells. No former or abandoned wells exist which could be reactivated.

15  
16 **Q. Does the Company treat the water, and if so, what type of treatment?**

17 A. Yes, the Company treats its water. Sodium hypochlorite (chlorine) is used for  
18 disinfection, aeration is used for releasing much of the carbon dioxide from the  
19 water, hydrated lime is used for pH adjustment and zinc orthophosphate is used  
20 as a corrosion inhibitor.

21  
22 **Q. Were any of the treatment techniques modified since the last rate case?**

23 A. No they have not been.

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**Q. Are you currently in compliance with the State and Federal water quality regulations?**

A. Yes. There are no violation issues with State or Federal water quality regulations.

**Q. Are there any other State or Federal regulations other than water quality that have been mandated since the last rate case?**

A. No. There have been no added regulations since the last rate case.

**Q. What is the Company doing regarding Safety?**

A. Employee and Company safety is of high importance to the Company. The Company has adopted a slogan of, 100% Safe 100% of the time. On a monthly basis there is a mandatory safety meeting. This meeting focuses on past month's safety issues that are discussed and any near misses are gone over to make sure that all information is disseminated to the employee's. We also discuss any upcoming safety items. We will also hold meetings as needed for any weather related issues or high risk tasks that will be taking place to review safety policies and procedures. The Company also does job site analysis making sure all work conditions will be safe. The Company superintendent or I will also check job sites making sure all safety protection equipment is being used and all safety precautions being taken.

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1           The Company also provides mandatory safety and compliance training via  
2 online training (PureSafety) as well as in-house training such as tail gate sessions  
3 and training by outside Subject Matter Experts (SME's).

4  
5           The Company's safety program is driven from the top down as shown with  
6 the implantations of the Managerial Safety Visits. Managerial Safety Visits consist  
7 of in person site visits from top SUEZ executives who personally meet with the  
8 local staff to ensure they have all safety Personal Protective Equipment (PPE), that  
9 the location is adhering to The Company Safety policies and to conduct a safety  
10 walk through. Findings are then reviewed and a timeline for correction is  
11 developed. This is followed up by calls and meetings until all outstanding items  
12 have been addressed or corrected.

13  
14 **Q. Are there any other safety initiatives being taken?**

15 **A.** Yes. SUEZ West Nyack and SUEZ Westchester embarked on a pilot program with  
16 Pro-Activity in January 2016. The objective is to provide activities and services as  
17 part of a commitment to the health and safety of its workforce. Pro-Activity works  
18 directly with staff once per month with an information exchange in a 30-minute  
19 class and provides private, individual consultations on personal or work-related  
20 injuries or health matters after those sessions. This program is planned to be rolled  
21 out to SWRI in 2018.



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1 **Q. Is there any evidence that the Safety Training has been Effective?**

2 A. Yes there is. As of December 31, 2017 there have been no lost time or serious  
3 injuries in SWRI since the last rate case.

4  
5 **Q. What has the Company changed regarding Compliance since the last case?**

6 A. The Company is currently involved in an Environmental Compliance Assurance  
7 Program. If an incident regarding compliance such as a bad sample, boil water  
8 order, etc occurs, the Company will complete an Environmental Incident Report  
9 and make a self-disclosure with the Environment Protection Agency(EPA)  
10 explaining the time the incident happened, what the incident was, it's possible  
11 harm to the environment and what the Company is doing to take care of the  
12 situation. This is an initiative which all the SUEZ Water properties are part of.

13  
14 **Q. What steps has the Company taken to ensure the cost effectiveness of its  
15 operations?**

16 A. SUEZ Water Rhode Island, as part of a larger national company, has been able to  
17 leverage its company size and volumes to negotiate better unit prices for  
18 chemicals, energy, paving, contractors' charges and transportation costs.  
19 Although prices have risen, these increases would have been greater if not for our  
20 ability to leverage our purchasing power. The resulting savings in both operating  
21 expenses and capital costs are passed on to our customers through lower expense  
22 needs.

23

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1           The Company has made considerable efforts to control energy costs. The  
2 Company continues to install high efficiency motors wherever possible. In addition,  
3 SUEZ Water has a very strong Hedging Management Team that constantly  
4 watches the markets for pricing changes. As favorable pricing and conditions arise,  
5 the Hedging Team will re-evaluate the Company's energy options to look for  
6 pricing reductions. Locking in prices and blending/extending will be used for the  
7 benefit of customers. It must be stressed that hedging is not an exact science and  
8 can carry some risk if energy prices decline. However, hedging has been used  
9 effectively to benefit our customers by managing energy price risk.

10  
11           SUEZ Water actively manages energy use by replacing inefficient pumps  
12 and motors, installing variable frequency drives (VFDs), tracking power use and  
13 pump efficiency, improving well performance and investigating opportunities for  
14 solar PV and other renewables. As part of these projects, all available incentives  
15 and rebates are pursued. For example, \$3,000 was secured from National Grid for  
16 a VFD installed at Howland Wellfield. The VFD is saving \$20,000 in energy cost  
17 annually.

18  
19 **Q. Could you please explain a little about the wholesale customers you serve?**

20 **A.** Yes. SWRI has provided water to the Municipality of Narragansett to supply their  
21 system in Point Judith located in the most southerly part of town, and also the most  
22 northerly section of the town. Both of these sections combined serve approximately  
23 4,270 customers. This customer has been served by SWRI since it was developed

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1 in the early 1900's. The other wholesale customer is the Town of South Kingstown,  
2 which owns and operate the Middle Bridge System, developed in the late 1960's  
3 which is located along the Narrow River in the center of the SWRI system. SWRI  
4 entered into an additional agreement with South Kingstown to supply water to its  
5 South Shore System, which is located at the most southerly section of town. This  
6 section of South Kingstown has only been supplied by SWRI since 2005. A  
7 connection was made with South Kingstown to provide higher quality water as they  
8 were suffering from lead and manganese issues. Both of the South Kingstown  
9 supplies serve approximately 5,023 customers. As a result of growth in these  
10 Towns and entering into additional wholesale agreement, SWRI customers have  
11 benefitted from the additional revenue by off-setting cost increases and the need  
12 to file for rates at an earlier point in time.

13

14 **Q. Has the Company made any major additions to Plant In-Service since the last**  
15 **case?**

16 A. Yes, there are several examples. In 2013 the Kenyon Ave Main Replacement in  
17 South Kingstown was completed. The purpose of this project was to replace 2,000  
18 LF of 6-inch AC water main ("WM") (from the 1970s), install two hydrants and  
19 transfer over 31 services over to a new 12-inch DI WM. This water main  
20 replacement was crucial for the re-districting of our system as part of the Tower  
21 Hill Tank project. This provided a larger diameter interconnection from the well  
22 fields to the system.

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1 In 2014 the Robinson Street Main Replacement was done in Narragansett. The  
2 purpose of this project was to replace 2,800 LF of 4-inch CI WM (from the early  
3 1920's), and install five hydrant assemblies and transfer over 52 services to new  
4 12-inch DI WM. This was done to increase capacity to meet minimum fire flow &  
5 domestic demands in this area of the system.

6  
7 In 2015 the Caswell and Central Street Replacement was done in  
8 Narragansett. The purpose of this project was to replace 800 LF of 4-inch CI WM  
9 (from the early 1920's), and install two hydrant assemblies and transfer over 14  
10 domestic services to new 8-inch DI WM on Caswell Street. 600 LF of DI WM and  
11 two new hydrants were installed on Central Street and 6 services transferred to  
12 new main. One fire service was also installed for Narragansett Town Hall. This  
13 was done to increase capacity to meet minimum fire flow & domestic demands in  
14 this area of the system and to have completed prior to the Town of Narragansett's  
15 rebuilding of Caswell Street and Central Street in late 2015.

16  
17 In 2016 and 2017, nine hydrants, nine hydrant tees and nine hydrant valves  
18 were replaced on High Street in South Kingstown. This was done in conjunction  
19 with the reconstruction and drainage redesign of High Street by the State of Rhode  
20 Island. Approximately 30 domestic services were replaced from main to curb stop  
21 to accommodate the drainage relocation and approximately 50 curb boxes and  
22 rods were replaced and brought to grade. In addition, four new line valves were  
23 installed, three existing line valves were replaced on High Street and a 100-foot DI

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1 WM connection from High Street to Hunt Ave was made to increase pressure and  
2 flow to Hunt Ave. The water main from High Street to Schaeffer Street was also  
3 vertically relocated to accommodate the drainage relocation.  
4

5 In 2017 the Sherman Elevated Tank replacement project was started. The  
6 purpose of this project was to replace the existing 0.5 MG standpipe with a new  
7 1.0 MG elevated tank. Approximately 1,000 feet of old AC WM connecting the  
8 tank to South Road was also replaced with 1,000 feet of ductile iron as part of the  
9 project. This was performed to correct/increase pressure and fire flow deficiencies  
10 as well as provide additional storage capacity within the usable elevation ranges.  
11 The construction of the tank is expected to be completed in July 2018.  
12

13 **Q. Has the Company made any Customer service improvements?**

14 A. Yes. In 2018 SWRI will roll out CLEVEST work force management system. SUEZ  
15 in North America is creating more responsive distribution networks that balance  
16 customer demand, supply needs, customer expectations, service reliability, cost  
17 and regulatory compliance. The transformation to these new, smart utilities will  
18 help us to:

- 19 • Analyze meter data to reduce outages and improve business processes
- 20 • Integrate operations systems and processes to improve the performance  
21 of distribution networks
- 22 • Maximize investment in people, processes and infrastructure through  
23 better asset and workforce management

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- 1           • Improve the effectiveness of customer communications through modern
- 2           communications tools
- 3           • Interface with customers more effectively and improve satisfaction rates
- 4

5           The current multi-stepped process is reliant on field activities printed on a  
6           dot-matrix printer or digital PDF field activities and manually completed in the field  
7           (with no data integrity checks) which require manual back office processing. The  
8           field activity completion process involves multiple touchpoints by many employees.  
9           It can take at least 5 or more business days to complete and close field activities.

10  
11           Capabilities that will be available to us upon initiation of the system include:

12  
13           ***Measurable benchmark targets for:***

- 14           • Specific Categories of field work (i.e. Meter Change & Installation time
- 15           Requirements)
- 16           • Travel Time
- 17           • Administrative productivity loss
- 18           • Comparative Analysis / Benchmarks
- 19           • Comparison of Business Unit productivity
- 20           • Comparison of Shift productivity
- 21           • Job Specification Comparative reporting
- 22

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1 **Q. Why did the Company need to relocate to a new office?**

2 A. SWRI relocated offices in December 2017 from 17 Arnold Street Wakefield, RI to  
3 10 High Street Suite K Wakefield, RI. We reviewed the long term needs of the  
4 Company and determined that we have long outgrown the 17 Arnold Street  
5 location. That office could not service the Company's needs and more importantly  
6 the customers needs any longer. By relocating to our new office at 10 High Street  
7 Suite K, The Company is able to provide better service for our customers and fulfill  
8 the long term needs of SWRI. The new office is now located in business area in  
9 the heart of Wakefield where we have much better customer visibility. This new  
10 office provides our staff a secured central location to store all our small parts  
11 inventory, repair clamps, couplings, large and small meters allowing for quicker  
12 response to customer needs or issues and provides better efficiency for day to day  
13 routine work. We also have instituted upgraded security at the new office which  
14 includes a central alarm system, keyless entry for our staff and security cameras.  
15 Along with the upgrades is a new cloud based phone system that allows for better  
16 customer service, the ability to track customer phone calls and ensure timely  
17 responses to customer needs, more lines for multiple phone calls and improved  
18 opening message capabilities to notify customers of service issues and general  
19 notifications.

20

21 **Q. Please describe the Company's plans for capital investment.**

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1 A. The main focus of the Company's plans for capital investment are the critical areas  
2 of need specifically, water storage tank construction, underground infrastructure  
3 improvements, the new office location, and other regular capital improvements.  
4 Over the past few years the Company has managed infrastructure improvement  
5 projects, plus other capital projects and will soon complete the construction of the  
6 new Sherman Tank, which will replace the existing Sherman Tank. These projects  
7 have improved the overall system reliability, flexibility, fire flow availability, and  
8 resiliency for the benefit of our customers.

9  
10 **Q. Is the Company continuing its commitment to conservation and the "wise**  
11 **use of water"?**

12 A. Yes. The Company continues the distribution of low flow household water fixtures  
13 at the customer's request. In cases where the Company feels a household's water  
14 use is higher than normal, it will recommend the use of these fixtures, and offer  
15 them free of charge. The Company continues the use of 'Bill stuffers' as a vehicle  
16 to distribute seasonal water saving tips. Outdoor use tips are included with spring  
17 and summer bills and inside use tips are included with the fall and winter bills. The  
18 Company has a policy where all leaks, whether on service lines or mains, are  
19 responded to immediately. If the leak is located on Company property, repairs will  
20 be made within twenty-four hours, keeping the find to fix time as short as possible.  
21 If not, notification to the customer is made immediately, if repairs are the  
22 responsibility of the customer. SWRI's current Non Revenue water is 0.44%, this



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1 very low level of system losses not only provides a water conservation benefit, but  
2 also reduces the energy and chemical usage.

3

4 **Q. Is there any indication that the conservation efforts are working?**

5 A. Yes. The SUEZ system's historic water production volumes for the past five  
6 years (2013 - 2017) are presented below.

7 **Table 2**

8

9 **Summary of Historic Water Production**  
10 **(million gallons)**

11

2013	2014	2015	2016	2017
1,044.6	1,013.9	1,035.4	1,042.5	950.08

12

13 **Q. Are there any regulators seeking added conservation?**

14 A. Yes. Currently, there is a move by the RI Water Resources Board ("RIWRB") to  
15 promote legislation to set a limit on what the residential customer should use every  
16 year. The usage number that we keep hearing is 65 gallons per person per day.  
17 Considering that, the Company would have no problems meeting that threshold  
18 based on the census the withdrawal limits are still being worked on, but if this  
19 allocation requirement is to take place, it could place a tremendous burden on  
20 groundwater suppliers throughout the state.

21

22

1 **Q. Does the Company currently have an Outreach and Education Program?**

2 A. Yes. The Company's customer-facing web site was redesigned as part of a plan  
3 to transform the Company's online relationship with its customers. The site now  
4 drastically improves customer payment processing and features many self-service  
5 components like alerts and bill view/payment options. It is easy to use on all mobile  
6 devices and is accessible for visually impaired users.

7  
8 The Company maintains a comprehensive outreach and education program  
9 with the goal of keeping customers and other stakeholders informed and obtaining  
10 customer feedback. A wide variety of tools is used to convey messaging including  
11 customer bill inserts, press releases, print and radio advertising. Here are the key  
12 elements:

- 13 • Facebook/Twitter: As a part of the Company's external communications  
14 efforts, its Facebook page has become a tool to reach customers and other  
15 stakeholders.
- 16 • Local radio: SWRI has utilized the local radio stations to inform customers  
17 about Company activities and timely water-related issues.
- 18 • Annual Water Quality Report: This report is prepared each spring in  
19 compliance with EPA and RIDOH regulations. It is available online or by  
20 mail.

21  
22 **Q. Does the Company have a Diversity and Inclusion program?**

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1 A. Yes, the Company has a Diversity and inclusion committee. Diversity and inclusion  
2 is as important to SUEZ's success as providing safe drinking water and eco-  
3 friendly wastewater management. It's part of our long-term business strategy to  
4 improve operations, productivity, employee and customer satisfaction.

5

6 **Q. Has the Company taken action to enhance the Customer Experience?**

7 A. Yes, on November 2015, SUEZ launched a new global website which provides  
8 customers with much more functionality and information to review bills, and their  
9 consumption and financial history. The time for a customer to make a payment  
10 has drastically decreased making it much more user friendly for customers to pay  
11 their bills. Also, customers can sign up for autopay, and e-billing and create a new  
12 account over the website. Future enhancements will allow customers to receive  
13 outage information, as well as, real time information regarding their account usage.  
14 In addition, there was an upgrade to the SWRI CC&B billing system. This upgrade  
15 provided a new user interface for our staff's ease of use, as well as some additional  
16 enhancements that now allows the system to link with the updated Suez Website.

17

18 **Q. Is the Company proposing to change the timing of its billing cycle?**

19 A. Yes, SWRI is proposing to move all customer classes to monthly billing.

20

21 **Q. Please describe the monthly billing benefits.**

22 A. The following are a number of benefits of monthly billing:

23

1        Peer Comparison

2        SWRI is one of the very few utilities left regulated by a Commission that remains  
3        on quarterly billing. Most, if not all of the major utilities are on monthly billing.  
4        Taking this approach will help our customers, especially those on fixed incomes,  
5        budget their monthly expenses more precisely. Electric utilities, gas utilities, and  
6        telecommunications companies all provide customers with monthly bills.  
7        Especially in seasons of high usage, a quarterly cycle is too long to give proper  
8        price signals.

9  
10       Faster Investigations and Fixes Turnaround (Customer)

11       A shortened billing period increases accountability on the part of both the customer  
12       and the operator. As the customer is expected to pay in a more timely fashion,  
13       with a collection time frame a third of that of quarterly billing, this smaller window  
14       also ensures that meter fixes and investigations on malfunctioning equipment will  
15       happen faster, service will be timelier, limiting the possibility for estimated bills.

16  
17       With smaller bills and more frequent payments, collections will happen  
18       faster and as the implementation reaches a more steady state, less arrears notices  
19       will be needed. Those needed can be combined with the next bill to avoid more  
20       printing and postage costs, thus further reducing costs to the Company and  
21       customer.

22  
23       Property Abandonment (Company)

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1 Currently, it can take the Company up to 6 months to identify that a customer has  
2 abandoned a property without notification. This lag leads to a higher propensity  
3 for debt being written off as customers cannot be traced or payment pursued.  
4 Billing at more frequent intervals will allow the Company to identify in a timely  
5 manner that zero consumption is being registered at a property, leading to more  
6 timely investigation and increasing the collectability rate of the remaining debt.

7

8 Reduction in Complaints (Customer and Company)

9 As customers are provided with more timely and consistent billing information the  
10 number of erroneous high bill complaints generated through seasonal variations  
11 and rate increases will be reduced. In addition, it is also expected that the number  
12 of these complaints escalating to the Commission will decrease. When driven by  
13 seasonality and rate increases, these complaints can escalate to requests for  
14 Witness meter tests which are an avoidable expense to both the customer and the  
15 Company.

16

17 Communications (Customer and Company)

18 Utilizing the bill for communicating in a timely manner with customers is the most  
19 cost effective form of communication, either through envelope messaging, bill  
20 message or bill inserts. Quarterly billing restricts how effective this can be as  
21 communicating a key message over a 3-month period is not always acceptable.  
22 Monthly billing will therefore present many more opportunities to maximize the bill  
23 as a key communication tool through the year with all customers.

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Mass Balance (Customer and Company)

Presently a majority of our residential customer meters and some commercial meters are read quarterly. Industrial and some commercial meters are read monthly. All our production input to the distribution system is quantified monthly. As a majority of our meters are read quarterly we cannot complete a monthly mass balance to calculate the monthly NRW. Currently, NRW is calculated on a twelve month rolling average which makes it virtually impossible to analyze data to determine if there is more theft of service in the summer due to illegal connections for irrigation and other uses. By moving to monthly billing we can complete a monthly mass balance to track and monitor patterns in NRW that may be linked to theft of service. An NRW study completed by Halcrow for SUEZ Water's New Rochelle and Westchester systems found that a significant portion of the NRW may be attributable to theft of service, which is unauthorized unmetered consumed water. Water theft and meter tampering will be more easily detected, with recurring zero-reads and low consumption picked up every month rather than every quarter. Not only will these problems be noticed earlier, but the amount of water not billed will also be reduced due to the shorter time frame for reaction. Reducing theft of service will have an impact on reducing NRW, but more importantly additional revenue will be collected for the benefit of all customers. Reducing theft of service will not reduce production as the water is still being consumed.

SUEZ WATER RHODE ISLAND  
CHRISTOPHER JACOBS

1 **Q. Has the Company included in this application a copy of its rules and**  
2 **regulations?**

3 A. Yes, the Company has included a copy of its rules and regulations with highlighted  
4 changes in MFR 2.5(a).

5  
6 **Q. Other than the proposed rates, is the Company proposing any changes to its**  
7 **tariff?**

8 A. Yes, the Company is requesting a change to Section 29 which makes the customer  
9 responsible for any Company supplied backflow preventer if the damage is due to  
10 customer negligence. This is consistent with Section 23 where the customer is  
11 responsible for damage to the meter.

12  
13 The Company is also requesting to establish a charge for missed  
14 appointments. This charge would be applicable if the customer requests an  
15 appointment to change meter and either isn't home or the proper plumbing is not  
16 ready when the Company arrives. The proposed charge is \$40 and is the same as  
17 the meter test charge. The proposed charge is located on the miscellaneous tariff  
18 page.

19

20 **Q. Does this conclude your testimony?**

21 A. Yes.