

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**PUBLIC UTILITIES COMMISSION**

IN RE: WOONSOCKET WATER  
REQUEST TO CHANGE RATES

Docket No. 4879

**COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO  
DIVISION OF PUBLIC UTILITIES & CARRIERS**

Dated: May 13, 2019

1-1 Referencing page 5 of Mr. Mierzwa's testimony:

Mr. Mierzwa testified that his review of the Company's updated IFR Plan provided in response to DIV 1-3 indicates that 12 inch mains are relied upon to provide fire protection service to a more significant degree than that indicated by WWD's cost of service study. He further testified that WWD responded, in response to DIV 4-2, that WWD was receptive to including 8.5% of 12-inch mains as distribution related mains in this proceeding. Mr. Mierzwa indicated that adjusting the WWD's cost of service study in this manner in this proceeding would not have a material impact and that, therefore, he did not propose adjusting the cost of service study. In conclusion, Mr. Mierzwa recommended that WWD re-examine and document the reasonableness of its historical one percent assignment of transmission mains to fire protection service.

a) This recommendation did not form part of the Settlement Agreement submitted by the parties. Has Mr. Mierzwa changed his opinion on this recommendation?

**RESPONSE:**

No, Mr. Mierzwa has not changed his opinion on this recommendation. In the rebuttal testimony of WWD witness Mr. David G. Bebyn, WWD agreed to re-examine and document the reasonableness of its historical one percent assignment of transmission mains to fire protection service in its next base rate application. (Bebyn Rebuttal at 1).

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- 1-2 The proposed settlement would impose different rate impacts for Woonsocket residential customers vis-a-vis non-Woonsocket residential customers.
- a) Please fully explain the existing rates and their relationship to the cost of service study.
  - b) Will the new rates bring the Woonsocket residential customers closer to their cost of service or further away or have no impact?
  - c) Will the new rates bring the non-Woonsocket residential customers closer to their cost of service or further away or have no impact?
  - d) Please fully explain the necessity/rationale for the provision in Paragraph 25 of the Settlement, wherein, a Woonsocket residential customer will experience a 5.05% increase and a non-Woonsocket residential customer will experience a 8.8% increase in year 1.

**RESPONSE:**

- a) Woonsocket and non-Woonsocket residential customers are each billed quarterly. Woonsocket residential customers are billed a quarterly Customer Service Charge, a quarterly Fire Protection Service Charge, and a consumption charge based on actual usage. Non-Woonsocket residential customers are billed a quarterly Customer Service Charge and a usage charge. Non-Woonsocket customers are not billed the quarterly Fire Protection Service Charge. The proposed rates under the Settlement Agreement are based on the cost of service study and will be set at the cost of service. Most residential customers are served by a 5/8-inch meter. As shown on Joint Settlement Schedule-9.0, the current quarterly Customer Service Charge for a 5/8-inch meter of \$16.82 is slightly below the proposed cost of service charge of \$18.41. The current quarterly Fire Protection Service Charge for a 5/8-inch meter of \$17.01 is above the prepared cost of service charge of \$14.19. The current usage charge of \$4.06 per 100 cubic feet is slightly below the proposed cost of service charge

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of \$4.41 per 100 cubic feet.

- b) The new rates will bring Woonsocket residential customers to the indicated cost of service.
- c) The new rates will bring non-Woonsocket residential customers to the indicated cost of service.
- d) The Settlement Agreement provides for the adoption of cost of service rates. The difference in the percentage increases for Woonsocket and non-Woonsocket residential customers is attributable to the Fire Protection Service Charge. This charge, which will decrease under the Settlement Agreement, is assessed only to Woonsocket residential customers and results in the differences in the percentage increases to Woonsocket and non-Woonsocket residential customers. If the impact of the decrease in the Fire Protection Service Charge is excluded, Woonsocket and non-Woonsocket residential customers would experience the same 8.8 percent increase.