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November 30, 2018

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**Re: *Docket No. 4898- The Narragansett Bay Commission
Tariff Advice – Billing Frequency***

Dear Ms. Massaro:

Enclosed please find:

1. The Narragansett Bay Commission's Response to the Rhode Island Public Utilities Commission's Data Requests (Set One).

Please note that an electronic copy of this document has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf

cc: Docket 4898 Service List (*via electronic mail*)

PUC 1-1: If the billing of consumption on a quarterly basis for 13,700 residential customers is approved by the PUC, please indicate whether the NBC considered the following concerns and describe how it has addressed each:

- a. Revenue lag and cash flow;
- b. Unbilled receivables;
- c. Impacts on liquidity and credit rating;
- d. Meeting its debt service payments and other liabilities;
- e. Monthly transfers from the Revenue Fund to other funds and accounts;
- f. Customers receiving larger quarterly bills and budgeting
- g. Communication of billing changes to customers.

Response: If the PUC approves the NBC's proposal, there will be a one-time two month delay in cash receipts for the consumption billing of only a relatively small number of residential accounts. NBC estimates that at implementation, monthly consumption fees of approximately \$400,000 will be delayed two months and then caught up on the third month. On an ongoing basis this would be incorporated into cash flows until the water boards can increase their meter reading frequency. Accordingly, impacts are as follows:

- a. NBC considers the impact to be insignificant.
- b. NBC considers the impact to be insignificant.
- c. NBC considers the impact to be insignificant.
- d. NBC considers the impact to be insignificant.
- e. NBC considers the impact to be insignificant.
- f. NBC believes there will be minimal impact as customers may establish budgets and the average quarterly consumption bill for a residential customer is estimated to be approximately \$95.
- g. NBC will include a bill message communicating the billing changes to customers.

Prepared by: Karen Giebink and Clara Casimiro

STATE OF RHODE ISLAND
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To The Rhode Island
Public Utilities Commission's
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Set 1

PUC 1-2: In addition to the above, please indicate any other issues of concern and/or alternatives the NBC considered prior to filing the tariff advice in this docket.

Response: The primary alternative considered by NBC was the continued use of estimated readings for these customers with a true-up based on an actual read. Use of estimated readings; however, would require the adjustment and rebill of all 13,700 accounts as part of the true-up process. This double bill calculation process is cumbersome and slow and likely to cause performance problems. In addition, the bill calculation coding is integrated into the core functionality of the system and any modifications would put basic billing functionality at risk. Based on discussions with the implementation team it was determined that a modification to the billing frequency until such time as the water boards can provide monthly meter readings was the preferred alternative.

Prepared by: Brendon McLean

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PUC 1-3: On Page 3 of Ms. Casimiro's direct testimony, she indicates the "the bill estimation and true-up process is confusing for customers." Please provide documentation supporting this statement.

Response: The testimony provided was based on the 30 years of experience that I have been working in NBC's Customer Service Department rather than any particular documents. In my experience dealing with customers as the Customer Service Manager, it is difficult for customers to understand the calculations and the resulting credits or higher bills that result from actual meter reading "true-ups." Customers are also reluctant to pay a bill based upon an estimated meter reading.

Prepared by: Clara Casimiro

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PUC 1-4: Does the NBC issue refunds or credits when a customer overpays? Please describe the process for both.

Response: In the current system, a customer that has paid a bill based on an overestimated meter reading will have a credit balance on their account once the adjustment is processed and likewise will have an additional bill on an underestimated meter reading. A customer with a credit balance may leave it on the account or may request a refund. If a customer requests a refund, a Customer Service Representative enters the refund information in the system and prepares a refund request form. The on- line adjustment and the paper form along with the backup is reviewed and approved by the Billing Supervisor, the Customer Service Manager and the Chief Financial Officer. The information is then forwarded to Accounting for entry into the Oracle system so that the check may be prepared and mailed.

Prepared by: Clara Casimiro

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PUC 1-5: What prevents the new Customer Service software application from being configured for true-ups?

Response: As mentioned in response to Div. 1-2, the bill calculation coding is integrated into the core functionality of the system and any modifications would put basic billing functionality at risk.

Prepared by: Brendon McLean

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PUC 1-6: Why will it take a year of customers' consumption history in the new Customer Service software application to establish budgets? Can historical consumption be uploaded in the new system prior to roll-out?

Response: Historical consumption is being loaded into the new system. Based on additional discussions, NBC will work with the developers to configure the system so that budgets can be established at the request of a customer as long as there was no change of ownership during the past year.

Prepared by: Brendon McLean

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PUC 1-7: Please provide the number of customers, by class, in each of the service territories and indicate for each territory whether the meters are read monthly or quarterly.

Response: Assuming that service territories refers to NBC accounts provided service from each of the water suppliers, the information is provided as follows:

Water Supplier	Customer Class	Customer Count	Frequency
Cumberland	Residential	4,297	Quarterly
East Providence	Residential	3,294	Quarterly
Johnston	Residential	3	Quarterly
Lincoln	Residential	5,327	Quarterly
Pawtucket	Residential	20,425	Monthly
Providence	Residential	42,928	Monthly
Smithfield	Residential	463	Quarterly
Cranston	Commercial	1	Monthly
Cumberland	Commercial	286	Monthly
East Providence	Commercial	286	Monthly
Johnston	Commercial	10	Monthly
Lincoln	Commercial	298	Monthly
Pawtucket	Commercial	1,820	Monthly
Providence	Commercial	4,752	Monthly
Smithfield	Commercial	28	Monthly
Cumberland	Industrial	8	Monthly
East Providence	Industrial	9	Monthly
Johnston	Industrial	1	Monthly
Lincoln	Industrial	15	Monthly
Pawtucket	Industrial	47	Monthly
Providence	Industrial	143	Monthly
Smithfield	Industrial	1	Monthly
		84,442	

Prepared by: Clara Casimiro

CERTIFICATION

I hereby certify that on November 30, 2018, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

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