

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: PROVIDENCE WATER SUPPLY BOARD :
COST OF SERVICE STUDY : **DOCKET NO. 4994**

**RESPONSES TO PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA
REQUESTS DIRECTED TO THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

(Issued February 4, 2022)

(Please respond by February 11, 2022)

- 1-1. Is Mr. Mierzwa's position that the revised rebuttal schedules filed by Mr. Smith on December 17, 2021 incorporate Mr. Mierzwa's recommendations made in his direct testimony? If not, please explain.

Response:

In his direct testimony, Mr. Mierzwa proposed adjusting the allocation of pumping costs to retail customers. At the Division's request, a revised cost of service study ("COSS") was prepared by Providence Water which reflected Mr. Mierzwa's proposed adjustment to the allocation of pumping costs and provided to the Division. The results of that revised COSS were reflected in Table 1 of Mr. Mierzwa's direct testimony. Mr. Mierzwa also recommended in his direct testimony that the revenues for each wholesale customer should be moved 1/3 of the way toward cost of service rates subject to a cap increase of 12 percent. This recommendation was reflected in Table 2 of Mr. Mierzwa's direct testimony. Mr. Smith adopted both of Mr. Mierzwa recommendations in his rebuttal testimony. However, the revised COSS performed by Providence Water and reflected in Table 1 and the recommended allocation of the rate increase reflected in Table 2 were based on the FY 2023 cost of service reflected in the Amended Settlement Agreement ("ASA"). The revised rebuttal schedules filed by Mr. Smith on December 17, 2021 were based on the FY 2022 cost of service reflected in the ASA adjusted to reflect the revenue requirement reductions and rates decided at the Commission's July 27, 2021 Open Meeting. While the revised rebuttal schedules submitted by Mr. Smith incorporate Mr. Mierzwa's direct testimony recommendations, they do not include the same numbers reflected in Tables 1 and 2 due to the use of two different FYs. Schedules HJS-22a and HJS-23 filed by Mr. Smith on December 17, 2021 reflect the Division's current recommendations based on the FY 2022 cost of service as adjusted by the July 27, 2021 Open Meeting.

Responses prepared by:
Jerome D. Mierzwa

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1-2. If Mr. Mierzwa answered no to PUC 1-1, please update Table 2 from his direct testimony to reflect the Division's current recommendation.

Response:

Please see the response to 1-1.