



DESAUTEL LAW

Marisa A. Desautel
marisa@desautelesq.com
401.477.0023

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VIA USPS AND ELECTRONIC MAIL

Ms. Luly Massaro
Rhode Island Public Utilities Commission
98 Jefferson Boulevard
Warwick, RI 028888
Luly.massaro@puc.ri.gov

RE: Providence Water Supply Board – Docket 4994

Dear Ms. Massaro:

Enclosed herewith please find an original and nine (9) copies of the Smithfield Water Supply Board's Response to the Bristol County Water Authority's First Set of Data Requests to be filed in the above-entitled matter.

Please be advised that an electronic copy of this document has been sent to the Service List. Thank you for your attention to this matter.

Sincerely,

Marisa A. Desautel, Esq.
Enclosures

cc: Service List

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
IN RE: PROVIDENCE WATER SUPPLY BOARD – DOCKET NO. 4994

**SMITHFIELD WATER SUPPLY BOARD’S RESPONSE TO THE BRISTOL COUNTY WATER
AUTHORITY’S FIRST SET OF DATA REQUESTS**

BCWA 1-1: On pages 5 through 6 of his testimony, Mr. Guastella states: “The SWSB's current annual cost of purchasing water from the PWSB is over \$600,000 and proposed to increase to over \$1.0 million. From a rate setting perspective, the SWSB could easily fund \$3 million to \$6 million or more of capital costs for the installation of its own wells and related facilities. Without a \$600,000 to \$1 million PWSB annual water bill, and after paying debt service for the funding of its own well supply, the SWSB would have hundreds of thousands of dollars available to operate the wells.”

- a. Please state how the SWSB would fund the \$3 million to \$6 million of capital costs.
- b. How much would the annual debt service be on a \$3 million dollar loan?
- c. How much would the annual debt service be on a \$6 million dollar loan?
- d. Is it Smithfield’s position that if it installed its own wells and facilities that it would no longer have to purchase any water from Providence?
- e. If the answer to subsection d. is in the affirmative, how long will it take for Smithfield to develop a water source that will allow it to provide water to its customers solely from its own source and no longer purchase any water from Providence?
- f. If the answer to subsection d. is in the negative, how much water would Smithfield have to continue purchasing from Providence on an annual basis to supplement the water from its own source, and when would the reduced purchases begin?

Response:

- a. It is anticipated that the cost of the wells and facilities would be financed with long term debt.
- b. The actual debt service would depend on loan rates at the time of financing. Using SWSB’s current borrowing rate of 1.25% from the R.I. Infrastructure Bank and a 20-year term loan, the annual debt service would be approximately \$170,000 for a \$3.0 million loan.
- c. For a \$6.0 million loan, the annual debt service would be approximately \$340,000.
- d. Pending completion of the work with respect to well development within Smithfield as well as potential other sources, and pump replacements to improve peaking capacity of its storage facilities, the SWSB will be able to eliminate all or most water purchases from the PWSB. According to the BETA well report, the SWSB’s average day is 817,000 gallons and the SWSB may be able to obtain up to one million gallons per day. The actual daily average quantity from alternative sources is not yet known, but it appears that there may be an option for the SWSB to obtain all of its average day demands by developing alternative sources. The BETA peak hour shaving analysis indicates that changes to the SWSB’s pumping facilities would enable more effective use of its storage facilities and enable a reduction in the water needed from either the PWSB’s system or alternative sources to meet peak hour demands.
- e. See response to d, above. The BETA report on wells estimates 23 months to complete the installation of a new well source. The SWSB will be working to eliminate or mostly reduce its dependence on PWSB’s water around that period.
- f. See responses to d and e, above.

BCWA 1-2: On page 6 of his testimony, Mr. Guastella states: “The BETA analysis of peak hour shaving concluded that with the installation of larger pumps to fill SWSB's storage tanks quicker, it may be possible to limit its peak demands, but BETA would seek further information on how peak hour rates are calculated by the PWSB to complete its analysis.”

- a. Please explain the reference to “peak hour rates” and what that term means.
- b. What specific information does BETA need to complete its analysis?

Response:

- a. Peak hour rates refer to the estimated non-coincidental peak hour consumption of water by the PWSB's individual customer classes.
- b. The BETA report seeks further information as to how the PWSB determined the SWSB's peak hour demand and when that demand is expected to occur.

BCWA 1-3: Attached to Mr. Guastella's testimony is a “New Water Supply Exploration” report from BETA. This report indicates that the typical well development process consists of three phases. Phase I is approximately 20 weeks and Phase II is approximately 18 months. How long is Phase III estimated to take from beginning to completion?

Response:

See response to BCWA 1-1, e. It is premature to estimate the time to complete the well project(s).

BCWA 1-4: Attached to Mr. Guastella's testimony is a “New Water Supply Exploration” report from BETA. This report indicates that the costs of Phases I and II range from \$90,000 to \$350,000. What is the anticipated cost of Phase III?

Response:

The cost to complete the development of SWSB's own and/or alternate water sources and related facilities has not been estimated. The range of the cost from \$3.0 to \$6.0 million was provided as a conservative level that would be affordable within the PWSB's charges to the SWSB for water under present and proposed rates.

Respectfully submitted,

Smithfield Water Supply Board

By its Attorney,

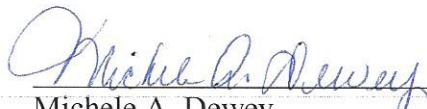


Marisa A. Desautel, Esq. #7556

Desautel Law
38 Bellevue Avenue, Unit H
Newport, RI 02840
(401) 477-0023

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this Certificate of Service was electronically transmitted to the individuals listed on the attached Service List updated 11/16/2021. The paper copies of this filing (an original and nine (9) copies) are being mailed this day to Ms. Luly Massaro at the Rhode Island Public Utilities Commission.


Michele A. Dewey

11-16-2021
Date

**Docket No. 4994 - Providence Water Supply Board – General Rate Filing
Service List updated 11/16/2021**

Parties	E-mail	Phone
Providence Water Supply Board (PWSB) Michael McElroy, Esq. McElroy & Donaldson PO Box 6721 Providence, RI 02940-6721	Michael@McElroyLawOffice.com ;	401-351-4100
	Leah@McElroyLawOffice.com ;	
Ricky Caruolo, General Mgr. Providence Water Supply Board 552 Academy Avenue Providence, RI 02908	RickyC@provwater.com ;	401-521-6300
	Greggg@provwater.com ;	
	Marydw@provwater.com ;	
	NancyP@provwater.com ;	
	Davidti@provwater.com ;	
	STEVEC@provwater.com ;	
	ALICIAM@provwater.com ;	
Harold Smith Raftelis Financial Consulting, PA 1031 S. Caldwell Street, Suite 100 Charlotte, NC 28203	Hsmith@raftelis.com ;	704-373-1199
	cdrat@raftelis.com ;	
Division of Public Utilities (Division) Leo Wold, Esq. Division of Public Utilities and Carriers John Bell, Chief Accountant	Leo.wold@dpuc.ri.gov ;	401-780-2177
	john.bell@dpuc.ri.gov ;	
	Pat.smith@dpuc.ri.gov ;	
	Hakeem.ottun@dpuc.ri.gov ;	
	Margaret.L.Hogan@dpuc.ri.gov ;	
	Robert.Bailey@dpuc.ri.gov ;	
	MFolcarelli@riag.ri.gov ;	
	eullucci@riag.ri.gov ;	
Jerome Mierzwa Exeter Associates, Inc. 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044	jmierzwa@exeterassociates.com ;	410-992-7500
Ralph Smith Larkin & Associates, PLLC 15728 Farmington Road Livonia, Michigan 48154	rsmithla@aol.com ;	734-522-3420
	dawn.bisdorf@gmail.com ;	
	ssdady@gmail.com ;	
	mcranston29@gmail.com ;	
Kent County Water Authority (KCWA) Mary B. Shekarchi, Esq. 33 College hill Rd., Suite 15-E Warwick, RI 02886	marybali@aol.com ;	401-828-5030
David Bebyn, Consultant	dbebyn@gmail.com ;	
David L. Simmons, P.E. Executive Director/Chief Engineer Kent County Water Authority	dsimmons@kentcountywater.org ;	401-821-9300

Bristol County Water Authority (BCWA) Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	jkeoughjr@keoughsweeney.com ;	401-724-3600
Stephen Coutu, Executive Director/Chief Engineer Bristol County Water Authority	scoutu@bcwari.com ;	
Michael Maker, Consultant	mmaker@newgenstrategies.net ;	
City of East Providence Michael Marcello, City Solicitor City of East Providence Legal Department 145 Taunton Avenue East Providence, RI 02914	RLefebvre@CityOfEastProv.com ;	401-435-7523
City of Warwick Michael Ursillo, City Solicitor Gia A. DiCenso, Asst. City Solicitor Ursillo, Teitz & Ritch, Ltd. 2 William St. Providence, RI 02903-2918	mikeursillo@utrlaw.com ;	401-331-2222
	ginadicenso@utrlaw.com ;	
Smithfield Water Supply Marisa Desautel, Esq. Office of Marisa Desautel, LLC 55 Pine St. Providence, RI 02903 Gene Allen, Director John Guastella Gary White	marisa@desautelesq.com ;	401-477-0023
	mdewey@desautelesq.com ;	
	clarice@desautelesq.com ;	
	gallen@smithfieldri.com ;	
	jfg@guastella.com ;	
	Guastella_NewYork@msn.com ;	
Greenville Water/Lincoln Water Adam M. Ramos, Esq. Hinckley, Allen & Snyder 100 Westminster St., Suite 1500 Providence, RI 02903	aramos@haslaw.com ;	
	agarganese@hinckleyallen.com ;	
	cwhaley@hinckleyallen.com ;	
File original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Todd.bianco@puc.ri.gov ;	
	Cynthia.wilsonfrias@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
	Emma.Rodvien@puc.ri.gov ;	
Kathleen Crawley Water Resources Board	Kathleen.Crawley@doa.ri.gov ;	401-222-6696
Nancy Lavin	Lavin@pbn.com ;	