

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: PROVIDENCE WATER :
REQUEST TO CHANGE RATES : Docket No. 4994

**RESPONSE OF CITY OF WARWICK TO
FIRST SET OF DATA REQUESTS OF COMMISSION**

1-1 Assume that the PUC decided to implement individual rates for wholesale customers in this docket: Please provide what the City of Warwick believes would be the appropriate rate for each wholesale customer for each of the rate years. Please explain your position and methodology and how it is supported by generally accepted ratemaking principles.

Response: The City of Warwick (“City”) is unable to provide what it believes to be the appropriate rates for the individual wholesale customers of Providence Water at this time. Because the issue of the adoption of individual rates for each wholesale customer was not a part of the initial rate filing in this matter, the City did not retain an expert who would be capable of performing the necessary analysis to allow it to develop recommended rates. It is the City’s position, however, that if individual wholesale rate were to be adopted, they must be based in significant part on the infrastructure demands of each wholesale customer and the associated cost with serving them. The data needed to properly account for those costs has not been developed in this proceeding and therefore, the City respectfully submits that the Commission should decline to implement individual rates for the wholesale customers of Providence Water.