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RECEIVED  
PUBLIC UTILITIES COMMISSION

4:00 PM  
(JAK)

June 26, 2007

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

**Re: City of Newport, Utilities Department, Water Department – Docket 3818**

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the following documents:

- 1.) Newport Water's Supplemental Response to PWFD Data Request 1-18 (please note that this pleading was served on the parties to this Docket electronically on June 19, 2007);
- 2.) Newport Water's Supplemental Response to PWFD Data Request 2-10(c) (please note that this pleading was served on the parties to this Docket electronically on June 21, 2007);
- 3.) Newport Water's Fourth Set of Data Requests to Portsmouth Water and Fire District (please note that this pleading was electronically served on the parties to this Docket on June 22, 2007).

Thank you for your attention to these matters.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf  
Enclosures

**CITY OF NEWPORT- UTILITIES DIVISION - WATER DEPARTMENT**  
**Docket No. 3818**  
**Supplemental Response to**  
**Portsmouth Water and Fire District's Data Requests**  
**Set 1 (1-18)**

**PWFD 1-18:** Regarding page 18, lines 24-26 of Mr. Smith's testimony: Did Clean Water Finance provide the estimated repayment schedule or the expected terms (interest rate and years) for the 2007 Series B SRF loan? Has Newport Water provided a drawdown schedule to Clean Water Finance for both the 2007 Series A and B loans? If so, please provide these. Why does the 2007 Series A SRF Loan show interest only payments through FY 2008 while the Series B loan issued later includes full principal and interest payments starting in FY 2008? Please provide the debt service payment schedules provided by Clean Water Finance for all the loans presented on RFC Schedule B.

**Response:** In a telephone conversation with a representative of RICWFA it was indicated that if Newport were to seek additional funds from RICWFA the funds would be provided at terms similar to the terms for the 2007 Series A funding.

Newport Water did provide RICWFA with a drawdown schedule for the 2007 Series A loan, but has not yet provided one for the Series B loans as the structure of that borrowing has not yet been finalized. A copy of the drawdown schedule for the Series A loan is attached.

As noted on RFC Schedule B, debt service on the Series A loan is based on debt service schedules provided by RICWFA. The Series A loan closed in early March of 2007 and the actual debt service schedules for that loan are attached. As you can see, this schedule differs slightly from those that were used in the rate model and appropriate adjustments will be made to the debt service schedules in the final version of the rate model.

As noted earlier, the terms and structure of the Series B loan has not been determined; therefore the estimated debt service on this loan reflected in the model assumes level debt service beginning in FY 2008. It is recognized that these are probably conservative estimates of the actual debt service that Newport will be required to pay on this loan and once the structure and terms of this loan have been determined, the model will be revised to reflect these amounts.

Debt service schedules for the Series A borrowing attached.

Prepared by: Harold Smith

**CITY OF NEWPORT- UTILITIES DIVISION - WATER DEPARTMENT**  
**Docket No. 3818**  
**Supplemental Response to**  
**Portsmouth Water and Fire District's Data Requests**  
**Set 1 (1-18)**

**Supplemental Response:** On May 25, 2007, Newport Water submitted an Application for Borrowing Authority to the Rhode Island Division of Public Utilities and Carriers. In this application, Newport Water seeks authority to borrow approximately \$2.8 million from the Rhode Island Clean Water Finance Agency ("RICWFA") for capital projects including Lawton Valley Water Plant Improvements, New Treatment Plant Upgrades and Distribution and other Miscellaneous System Improvements. Copies of this filing were provided to William McGlinn and Christopher Woodcock on May 29, 2007.

In this proposed borrowing, Newport Water is planning to borrow \$750,000 during the current fiscal year, or shortly thereafter. Pending approval from the Division, this financing will be accomplished through the sale of Bond Anticipation Notes to RICWFA. This immediate financing will allow Newport Water to begin a portion of the planned capital projects immediately. Specifically, Newport will begin work on pH improvements. The remaining \$2.05 million will be financed on a long-term basis when RICWFA sells its revenue bonds for the Safe Drinking Water State Revolving Fund in late 2007 or early 2008.

Presently, there is no draw down schedule for the entire Series B loan. However, enclosed herein is a draw down schedule for the pH improvements project.

Prepared by: Harold Smith

**CITY OF NEWPORT- UTILITIES DIVISION - WATER DEPARTMENT**

**Docket No. 3818**

**Supplemental Response to  
Portsmouth Water and Fire District's Data Requests  
Set 1 (1-18)**

**CERTIFICATION**

I hereby certify that I sent by electronic mail a copy of the within to all parties set forth on the attached Service List on June 19, 2007.

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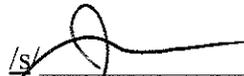
**CITY OF NEWPORT- UTILITIES DIVISION - WATER DEPARTMENT**

**Docket No. 3818**

**Supplemental Response to  
Portsmouth Water and Fire District's Data Requests**

**Set 1 (1-18)**

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**CITY OF NEWPORT - WATER DEPARTMENT**  
**Docket No. 3818**  
**Supplemental Response to**  
**PWFD Data Requests**  
**Set 2 (2-10(c))**

PWFD 2-10: Please provide a spreadsheet for all water billings in test year FY-06 showing by month:

- a. Total number of water accounts billed
- b. Total gallons billed for "a" above
- c. Total number of water accounts with an estimated meter reading and/or an estimated bill
- d. The total gallons billed for "c" above.

**Response:**

<b>Month</b>	<b>(a)</b>	<b>(d)</b>	<b>(b)</b>	
	<b>Number of Bills</b>	<b>Estimated</b>	<b>Consumption Actual</b>	<b>Total</b>
July 2005	4,968	18,129,694	154,358,515	172,488,209
August 2005	3,485	22,262,908	162,587,465	184,850,373
Sept 2005	4,421	18,017,724	215,085,867	233,103,591
Oct 2005	4,500	52,264,854	177,033,343	229,298,197
Nov 2005	4,681	32,716,775	140,262,704	172,979,479
Dec 2005	3,450	41,901,244	126,396,412	168,297,656
Jan 2006	4,352	27,856,295	137,739,205	165,595,500
Feb 2006	4,492	61,548,050	104,170,843	165,718,893
March 2006	4,649	48,080,427	95,846,421	143,926,848
April 2006	3,452	37,016,382	98,544,147	135,560,529
May 2006	4,480	20,065,248	121,800,433	141,865,681
June 2006	4,577	16,386,411	149,436,439	165,822,850
<b>Totals</b>	<b>51,507</b>	<b>396,246,012</b>	<b>1,683,261,794</b>	<b>2,079,507,806</b>

**CITY OF NEWPORT - WATER DEPARTMENT**

**Docket No. 3818**

**Supplemental Response to**

**PWFD Data Requests**

**Set 2 (2-10(c))**

Please note the spreadsheet above indicates the number of bills issued each month for FY 2006 as requested in part (a). The total gallons consumed for those bills are indicated in the total column as requested in part (b). For part (c), the billing software is currently unable to show separately the number of water accounts with an estimated meter reading or bill. However, in answer to part (d), we have included the consumption amounts which were estimated each month.

**Supplemental Responses:**

As indicated in the rebuttal testimony of Julia A. Forgue, NWD reviewed the request from PWFD 2-10 with the software programmer. With some procedural changes and the exporting of files NWD has been able to go back and extract information to allow the compilation of the number of accounts which received estimated reads. NWD has been able to track the estimated bills back to December 2006. This information is provided in the attached schedule PWFD 2-10 SUP provides the breakdown of said information as for the period December 2006 through May 2007. NWD can provide the same information for the period July 1, 2006 though November 2006 if Portsmouth needs this information, but said information will have to be provided in a further supplement to this response.

Prepared by: Karen Garcia

**Newport Water Dept.  
 Monthly Water Billings  
 FY 2006  
 PWFID 2-10SUP**

Year	Month	(a) Number of Consumption		(b) Total		(c) Number of Bills- estimated		(d) Consumption	
		Bills	Estimated	Bills	Estimated	Number of Bills	Estimated	Number of Bills	Estimated
2006	December	3,411	34,211,441	147,143,798	489	489	34,211,441		
2007	January	4,375	20,918,019	126,336,351	475	475	20,918,019		
2007	February	4,468	21,724,772	150,049,234	481	481	21,724,772		
2007	March	4,642	21,747,908	140,723,086	528	528	21,747,908		
2007	April	3,386	16,742,047	131,336,584	799	799	16,742,047		
2007	May	4,436	21,150,740	152,664,515	472	472	21,150,740		
Totals		24,718	136,494,927	848,253,568	3,244	3,244	136,494,927		

**CITY OF NEWPORT - WATER DEPARTMENT**

**Docket No. 3818**

**Supplemental Response to**

**PWFD Data Requests**

**Set 2 (2-10(c))**

**CERTIFICATION**

I hereby certify that I sent by electronic mail a copy of the within to all parties set forth on the attached Service List on June 21, 2007.

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**CITY OF NEWPORT - WATER DEPARTMENT**

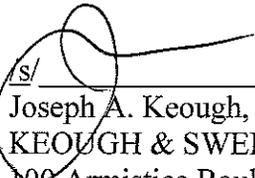
**Docket No. 3818**

**Supplemental Response to**

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**Set 2 (2-10(c))**

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