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PAMELA M. MARCHAND, P.E.
Chief Engineer & General Manager

JOSEPH DE LUCA
City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

August 31, 2007

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

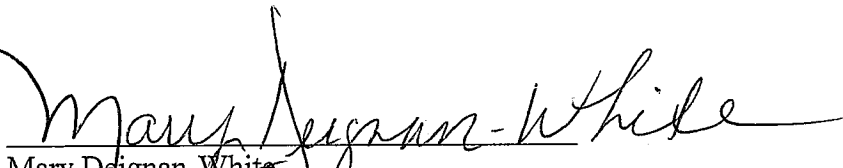
RE: Docket 3832 Division of Public Utilities & Carriers; Set VI

Dear Luly:

Enclosed for filing are an original and four copies of Providence Water's responses to the sixth set of data requests from the Division of Public Utilities.

If there are any questions, I can be reached at 521-6300, extension 7217.

Sincerely,


Mary Deignan-White
Regulatory Manager

cc: Pamela M. Marchand
Boyce Spinelli
Jeanne Bondarevskis
Walter Edge
Thomas S. Catlin
Joseph J. McGair, Esq.
Timothy J. Brown, P.E.
Christopher P.N. Woodcock
William Lueker, Esq.
Thomas Massaro

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Paul Gadoury
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John Bell
R. DiMeglio, Esq.
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PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Division of Public Utilities & Carriers
Set 6

6-1 With regard to Ms. Marchand's Rebuttal Testimony at page 5, lines 2-4:

- a. Please provide an update of Schedule DGB-2 to include FY 2007 expenses.
- b. Please provide the calculation showing the referenced increase of over 6 percent from FY 2005 to FY 2006.

Answer:

- a. Please see attached for DGB-2 Revised with an additional column added, "Unaudited FY 2007". Please note that no adjustments have been made to the FY 2007 amounts.
- b. Please see the response to COM 3-17 and the attached.

COMPARATIVE SCHEDULE OF EXPENSES
PROVIDENCE WATER

Schedule DGB-2revised

ACCOUNT	TITLE	FISCAL YEAR 06/30/04	FISCAL YEAR 06/30/05	FISCAL YEAR 06/30/06	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR	UNAUDITED FY 2007
601 Operating Fund:							
Source of Supply							
60110	Salaries + Wages - Emp						
60120	Salaries + Wages - Emp	358,404	352,766	332,332		332,332	378,134
60320	Sal. + Wages - Officers, Dir	215,345	300,847	364,716	\$	364,716	462,432
60410	Employee Pension + Ben	469,800	185,202	180,684	-	180,684	201,272
60420	Employee Pension + Ben	31,207	157,494	198,291	-	198,291	246,141
61510	Purchase Power	4	-	-	-	-	-
61610	Fuel for Power Purch	-	-	-	-	-	-
62010	Material + Supplies	6,122	12,458	9,580	-	9,580	11,842
62020	Material + Supplies	40,600	32,194	45,309	-	45,309	53,546
63110	Contractual Services - Engineer	3,910	3,900	4,500	-	4,500	1,350
63120	Contractual Services - Engineer	-	-	-	-	-	-
63420	Contractual Services - Mgt. Fees	-	-	-	-	-	-
63510	Contractual Services - Other	45,247	45,864	84,131	G (2,360)	81,771	15,851
63520	Contractual Services - Other	14,214	22,990	19,753	-	19,753	15,561
64210	Rental of Equipment	-	100	-	-	-	-
64220	Rental of Equipment	-	-	-	-	-	-
65010	Transportation Exp.	-	-	-	-	-	-
65020	Transportation Exp.	-	-	-	-	-	-
67510	Misc. Expenses	5,590	4,075	19,414	I (10,650)	8,764	3,066
67520	Misc. Expenses	5,714	4,756	3,799	-	3,799	2,295
	Total Source of Supply Expense	1,196,157	1,122,647	1,262,509	(13,010)	1,249,499	1,391,490
Pumping Expenses							
60123	Salaries + Wages - Emp	-	-	-	-	-	-
60126	Salaries + Wages - Emp	-	-	-	-	-	-
60423	Employee Pension + Ben	-	-	-	-	-	-
60426	Employee Pension + Ben	-	-	-	-	-	-
61523	Purchase Power	475,707	568,227	701,668	-	701,668	734,820
61623	Fuel for Power Purch	17,943	19,273	16,651	-	16,651	32,088
62023	Material + Supplies	-	-	453	-	453	0
62026	Material + Supplies	-	481	-	-	-	518
63123	Contractual Services - Engineer	-	-	-	-	-	-
63126	Contractual Services - Engineer	-	-	-	-	-	-
63523	Contractual Services - Other	16,369	8,807	4,871	-	4,871	6,694
63526	Contractual Services - Other	412	6,465	-	-	-	2,635
64223	Rental of Equipment	-	-	-	-	-	-
64226	Rental of Equipment	-	-	-	-	-	-
65023	Transportation Exp.	-	-	-	-	-	-
67523	Misc. Expenses	-	-	-	-	-	-
67526	Misc. Expenses	-	-	-	-	-	-
	Total Pumping Expenses	510,432	603,254	723,642	-	723,642	776,755
Water Treatment Expenses							
60130	Salaries + Wages - Emp	1,590,694	1,714,705	1,902,231	-	1,902,231	2,004,528

COMPARATIVE SCHEDULE OF EXPENSES
PROVIDENCE WATER

Schedule DGB-2revised

ACCOUNT	TITLE	FISCAL YEAR 06/30/04	FISCAL YEAR 06/30/05	FISCAL YEAR 06/30/06	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR	UNAUDITED FY 2007
60140	Salaries + Wages - Emp	430,037	326,382	287,769		287,769	321,753
60430	Employee Pension + Ben	178,939	892,090	991,095		991,095	1,066,963
60440	Employee Pension + Ben	92,125	163,818	156,456		156,456	171,261
61530	Purchase Power	127,781	145,680	179,721		179,721	194,083
61630	Fuel for Power Purch	76,452	138,512	122,959		122,959	177,174
61830	Chemicals	(14,427)	-	-		-	-
62030	Material + Supplies	82,154	77,124	94,329		94,329	95,340
62040	Material + Supplies	85,706	91,915	92,559		92,559	69,342
63140	Contractual Services - Engineer	-	-	-		-	2,788
63240	Contract Services - Acctg	-	-	-		-	-
63430	Contractual Services - Mgt. Fees	8,441	6,852	14,710		14,710	8,864
63530	Contractual Services - Other	226,235	185,403	182,083		182,083	210,066
63540	Contractual Services - Other	34,114	38,581	55,705		55,705	42,759
64140	Rental Bldg/Real Prop	-	-	-		-	-
64230	Rental of Equipment	3,948	3,014	2,245		2,245	2,000
64240	Rental of Equipment	-	1,443	-		-	-
65030	Transportation Exp.	-	-	-		-	1,010
65640	Insurance Vehicle	-	-	-		-	-
65830	Insurance - W/C	-	-	-		-	-
65840	Insurance - W/C	-	-	-		-	-
66730	Regularity Com Exp. -Other	-	-	-		-	-
67530	Misc. Expenses	29,040	51,958	60,381		60,381	27,965
67540	Misc. Expenses	46	231	171		171	86
	Total Treatment Expense	2,951,284	3,837,708	4,142,413		4,142,413	4,395,983
	Transmission + Dist. Expense:						
60150	Salaries + Wages - Emp	860,119	788,057	834,719		834,719	988,943
60160	Salaries + Wages - Emp	1,910,650	2,062,626	2,228,839		2,228,839	2,130,394
60250	Payroll Clearing -Emp	(472,859)	(368,514)	(375,518)	D	-	-
60260	Payroll Clearing -Emp	-	-	-		-	-
60450	Employee Pension + Ben	618,091	411,043	453,824		453,824	526,391
60460	Employee Pension + Ben	332,924	1,076,760	1,211,787		1,211,787	1,134,076
60550	Overhead Rate Applied	(1,764,480)	(1,596,815)	(1,746,342)	E	-	-
60560	Overhead Rate Applied	-	-	-		-	-
61550	Purchase Power	7,643	8,406	9,027		9,027	8,733
62050	Material + Supplies	119,767	327,874	138,933		138,933	73,818
62060	Material + Supplies	26,433	10,944	12,637		12,637	5,687
62560	Inventory Clearing	(100,286)	-	-		-	-
63150	Contractual Services - Engineer	-	-	-		-	-
63160	Contractual Services - Engineer	-	-	-		-	-
63460	Contractual Services - Mgt. Fees	-	-	-		-	-
63550	Contractual Services - Other	588,683	822,710	1,028,353		1,028,353	927,318
63560	Contractual Services - Other	53,215	26,934	37,731		37,731	96,748
64150	Rental Bldg/Real Prop	-	-	-		-	-
64160	Rental Bldg/Real Prop	(6,083)	-	-		-	-
64250	Rental of Equipment	6,830	4,750	4,009		4,009	1,097
64260	Rental of Equipment	-	-	-		-	-
65060	Transportation Exp.	-	-	-		-	1,145

**COMPARATIVE SCHEDULE OF EXPENSES
PROVIDENCE WATER**

Schedule DGB-2revised

ACCOUNT	TITLE	FISCAL YEAR 06/30/04	FISCAL YEAR 06/30/05	FISCAL YEAR 06/30/06	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR	UNAUDITED FY 2007
65850	Insurance W/C	-	-	-	-	-	-
65860	Insurance W/C	-	-	-	-	-	-
65950	Insurance Other	-	-	-	-	-	-
66750	Regulatory Com Exp - Other T & D	284	-	-	-	-	-
66760	Regulatory Com Exp - Other T & D	-	-	-	-	-	-
67550	Misc. Expenses	31,350	12,459	3,625	-	3,625	3,784
67560	Misc. Expenses	198	483	675	-	675	529
	Total Transmission & Distribution	2,212,479	3,587,715	3,842,299	2,121,860	5,964,159	5,898,662
	Customer Accounts Expense:						
60170	Salaries + Wages - Emp	1,676,606	1,691,372	1,828,083	-	1,828,083	2,059,217
60270	Payroll Clearing -Emp	(15,305)	(14,243)	(13,397)	D	-	-
60470	Employee Pension + Ben	577,515	884,664	993,902	-	993,902	1,096,073
60570	Overhead Rate Applied	(57,889)	(52,674)	(52,345)	E	-	-
61670	Fuel for Power Purch	-	-	-	-	-	-
62070	Material + Supplies	16,194	13,338	10,731	-	10,731	15,630
63370	Contractual Services - Legal	50,309	-	-	-	-	-
63570	Contractual Services - Other	48,943	44,620	33,883	-	33,883	39,027
65070	Transportation Exp. -CAO	-	-	-	-	-	-
65870	Insurance - Other	-	-	-	-	-	-
65970	Insurance Other	-	-	-	-	-	-
67070	Bad Debt Expense - CAO	-	-	(740,181)	F	740,181	-
67570	Misc. Expenses	101,357	70,313	121,241	-	121,241	104,000
	Total Customer Accounts	2,397,731	2,637,390	2,181,917	805,923	2,987,840	3,313,947
	Administrative and General						
60180	Salaries + Wages - Emp	4,531,989	4,674,296	4,718,358	-	4,718,358	5,016,410
60280	Payroll Clearing -Emp	-	-	-	-	-	-
60380	Salaries + wages - Officers, Dir.	27,780	35,021	36,918	-	36,918	40,205
60480	Employee Pension + Ben	3,595,530	2,417,096	2,569,882	-	2,569,882	2,671,516
60580	Overhead Rate Applied	-	-	-	-	-	-
61580	Purchase Power	79,129	103,302	119,872	-	119,872	118,145
61680	Fuel for Power Purch	138,431	114,493	184,535	-	184,535	184,178
62080	Material + Supplies	90,219	106,541	184,160	-	184,160	199,500
63180	Contractual Services - Engineer	6,652	-	24,377	-	24,377	43,461
63280	Contract Services - Acctg	-	-	-	-	-	-
63380	Contractual Services - Legal	41,536	8,925	87,716	-	87,716	114,369
63480	Contractual Services - Mgt. Fees	-	-	32,000	-	32,000	0
63580	Contractual Services - Other	449,703	588,539	364,356	H	449,756	1,335,055
64180	Rental Buidlg/Real Prop	-	-	-	-	-	-
64280	Rental of Equipment	10,602	11,506	9,646	-	9,646	11,045
65080	Transportation Exp.	119,917	164,508	104,702	-	104,702	114,752
65780	Ins. Gen. Liability	-	-	-	-	-	-
65880	Insurance - W/C	-	-	-	-	-	-
65980	Insurance Other	-	-	-	-	-	-
66080	Advertising Expense	3,149	3,100	3,351	-	3,351	611
66680	Reg Com Exp - Amort of Rate Case	-	-	-	-	-	1,059
66780	Regulatory Com Exp. -Other	157,985	202,610	202,951	-	202,951	282,184

**COMPARATIVE SCHEDULE OF EXPENSES
PROVIDENCE WATER**

Schedule DGB-2 revised

ACCOUNT	TITLE	FISCAL YEAR 06/30/04	FISCAL YEAR 06/30/05	FISCAL YEAR 06/30/06	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR	UNAUDITED FY 2007
67580	Misc. Expenses	308,580	269,617	289,175	-	289,175	285,826
	Total Administration + General	9,561,203	8,699,553	8,931,999	85,400	9,017,399	10,418,318
	Total Operation & Maintenance	18,829,285	20,488,266	21,084,779	3,000,173	24,084,952	26,195,153
	857 Insurance Fund						
65840	Insurance W/C - WTM	25,862	24,457	-		-	
65870	Insurance W/C - CAO	39,990	40,772	25,512		25,512	10,344
62080	Materials + Supplies - A&GO	17,569	4,156	612		612	21,097
63180	Contractual Services-Engineer	-	-	-		-	
63380	Contract Services - Legal A&GO	2,388	1,650	1,875		1,875	4,515
63580	Contract Services - Other A&GO	751,134	1,162,400	1,253,949		1,253,949	1,296,107
65980	Ins. Gen. Liability	-	-	-		-	
65880	Insurance-Other A&GO	168,625	471,591	533,567		533,567	451,215
65880	Insurance - W/C	-	-	-		-	
67070	Bad Debt Expense-CAO	39,439	23,686	152,140		152,140	71,527
67580	Misc. Expense	1,045,007	1,728,713	1,967,655		1,967,655	1,854,803
	Total Insurance Fund						
	878 Chemical and Sludge Maintenance Fund						
61830	Chemicals - WTO	1,414,823	1,422,387	1,493,366		1,493,366	1,491,979
62030	Materials + Supplies WTO	36,338	29,405	15,545		15,545	0
63540	Contract Services - Other WTM	400,000	1,148	550,000		550,000	954,125
	Total Chemical and Sludge Maintenance Fund	1,851,161	1,452,940	2,058,911		2,058,911	2,446,104
	Full Operation and Maintenance	21,725,454	23,669,919	25,111,345	3,000,173	28,111,518	30,496,061
	City Services	729,994	729,994	729,994		729,994	729,994
	Property Taxes- Other Local Govern.						
40820	Town of North Providence	224,322	243,883	224,715		224,715	231,643
40821	Town of Glocester	135,693	55,075	43,112		43,112	45,275
40822	Town of West. Glocester	3,363	3,856	3,536		3,536	3,928
40823	Town Harmony	142	147	120		120	142
40824	Town Chepachet	145	145	145		145	145
40825	Town Scituate	4,657,788	4,604,052	4,857,896		4,857,896	5,131,469
40826	Town Warwick	26	20	21		21	22
40827	Town of Johnston	96,550	54,464	56,424		56,424	59,247
40828	Town of Foster	297,825	295,106	308,492		308,492	278,751
40829	City of Cranston	493,535	524,718	531,738		531,738	175,481
40830	City of West. Warwick	6,223	3,766	3,855		3,855	4,040
	Total Property Taxes	5,915,612	5,785,233	6,030,054		6,030,054	5,930,141
	Capitalized Reimbursement						
	Total Other Expenses	6,645,606	6,515,227	(743,041)	0	(743,041)	6,660,135
	Restricted Expenditures						
	Capital	2,450,000	2,450,000	2,450,000		2,450,000	2,450,000

COMPARATIVE SCHEDULE OF EXPENSES
PROVIDENCE WATER

ACCOUNT	TITLE	FISCAL YEAR 06/30/04	FISCAL YEAR 06/30/05	FISCAL YEAR 06/30/06	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR	UNAUDITED FY 2007
	Western Cranston Infrastructure	62,069	62,069	62,069	-	62,069	62,069
	Meter Replacement	12,500,000	12,500,000	12,500,000	-	12,500,000	12,500,000
	Equipment Replacement	466,667	400,000	400,000	-	400,000	400,000
	Total Restricted Expenditures	1,100,000	1,100,000	600,000	-	600,000	600,000
		16,578,736	16,512,069	16,012,069	-	16,012,069	16,012,069
	Grand Total	\$44,949,796	\$46,697,215	\$47,140,421	\$3,000,173	\$50,140,594	\$53,168,265

- (D) = Changes to Lead Service mailings. See page 3 of DGB Testimony.
- (E) = Remove Hazmat study and add yearly implementation costs. See page 3 of DGB Testimony.
- (F) = Normalized Salary. See page 3 of DGB Testimony.
- (G) = Remove Overhead Applied. See page 3 of DGB Testimony.
- (H) = Remove Bad Debt Expense. See page 3 of DGB Testimony.
- (I) = Add Security Monitoring. See page 3 of DGB Testimony.

**Providence Water
Calculation of Operational Increase**

Total Operation and Maintenance FY 2006 (1)	\$21,084,779
Add back one time Bad Debt adjustment	<u>740,181</u>
Adjusted Operation & Maint. FY 2006	21,824,960
Total Operation and Maintenance FY 2005 (1)	20,488,266
% Increase FY 2006 over FY 2005	6.52%

(1) from Page 4 of DGB-2 attached

For DIV 6-1(b) Docket 3832

COMPARATIVE SCHEDULE OF EXPENSES

PROVIDENCE WATER

Schedule DGB-2

ACCOUNT	TITLE	FISCAL YEAR 06/30/04	FISCAL YEAR 06/30/05	FISCAL YEAR 06/30/06	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR
63370	Contractual Services - Legal	50,309	-	-	-	-
63570	Contractual Services - Other	48,943	44,620	33,883	-	33,883
65070	Transportation Exp. -CAO	-	-	-	-	-
65870	Insurance - Other	-	-	-	-	-
65970	Insurance Other	-	-	-	-	-
67070	Bad Debt Expense - CAO	-	-	(740,181) F	740,181	-
67570	Misc. Expenses	101,357	70,313	121,241	-	121,241
	Total Customer Accounts	2,397,731	2,637,390	2,181,917	805,923	2,987,840
	Administrative and General					
60180	Salaries + Wages - Emp	4,531,989	4,674,296	4,718,358	-	4,718,358
60280	Payroll Clearing -Emp	-	-	-	-	-
60380	Salaries + wages - Officers, Dir.	27,780	35,021	36,918	-	36,918
60480	Employee Pension + Ben	3,595,530	2,417,096	2,569,882	-	2,569,882
60580	Overhead Rate Applied	-	-	-	-	-
61580	Purchase Power	79,129	103,302	119,872	-	119,872
61680	Fuel for Power Purch	138,431	114,493	184,535	-	184,535
62080	Material + Supplies	90,219	106,541	184,160	-	184,160
63180	Contractual Services - Engineer	6,652	-	24,377	-	24,377
63280	Contract Services - Acctg	-	-	-	-	-
63380	Contractual Services - Legal	41,536	8,925	87,716	-	87,716
63480	Contractual Services - Mgt. Fees	-	-	32,000	-	32,000
63580	Contractual Services - Other	449,703	588,539	364,356	H	449,756
64180	Rental Buidlg/Real Prop	-	-	-	-	-
64280	Rental of Equipment	10,602	11,506	9,646	-	9,646
65080	Transportation Exp.	119,917	164,508	104,702	-	104,702
65780	Ins. Gen. Liability	-	-	-	-	-
65880	Insurance - W/C	-	-	-	-	-
65980	Insurance Other	-	-	-	-	-
66080	Advertising Expense	3,149	3,100	3,351	-	3,351
66680	Reg Com Exp - Amort of Rate Case	-	-	-	-	-
66780	Regulatory Com Exp. -Other	157,985	202,610	202,951	-	202,951
67580	Misc. Expenses	308,580	269,617	289,175	-	289,175
	Total Administration + General	9,561,203	8,699,553	8,931,999	85,400	9,017,399
	Total Operation & Maintenance	18,829,285	20,488,266	21,084,779	3,000,173	24,084,952

Responses to Division 6-2.

Div 6-2. Please state whether Mr. Edge agrees kWh usage at the treatment and pumping facilities will vary with the quantity of water pumped. If not, please explain.

Response: Mr. Edge agrees.

Prepared by WEE

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Division of Public Utilities & Carriers
Set 6

6-3 Please identify the total quantity of water pumped in FY 2007.

Answer: The total quantity of water pumped (Plant Effluent) in FY 2007 was 32,595,468. This is down from 34,461,096 in FY 2006 and 33,733,529 in FY 2005. In fact, it is lower than the last five years as shown on Exhibit I, Table E in Chief Marchand's direct testimony.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Division of Public Utilities & Carriers
Set 6

6-4 Are there any ongoing tax disputes besides the one in Scituate still outstanding, and if so, please provide the details.

Answer: Please see the response to Commission 3-18.