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Member

July 10, 2007

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

RE: Docket 3832 Kent County Water Authority Data Requests; Set II

Dear Luly:

Enclosed for filing are an original and four copies of Providence Water's responses to the second set of data requests from Kent County Water Authority.

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

Sincerely,

A handwritten signature in cursive script that reads "Mary Deignan-White".

Mary Deignan-White
Regulatory Manager

cc: Pamela M. Marchand
Boyce Spinelli
Jeanne Bondarevskis
Walter Edge
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file

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PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832

Response to
Second Data Request of Kent County Water Authority

Question KCWA 2-1:

Regarding the response to KCWA 1-3 (b) – the questions (sic) asks for Mr. Smith's recommendation in the absence of the prior Commission Order. Can it be assumed that Mr. Smith's characterization of "would typically" or "would most likely" reflect his recommendation in the absence of the prior Commission finding?

Response:

Yes.

Response prepared by: Harold J. Smith 6/28/07

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Kent County Water Authority
Set 2

KCWA 2-2 Regarding the response to KCWA 1-5, what was the total payroll cost associated with treatment and with pumping in FY 2002? Does Providence believe this was representative of the current breakdown of salary costs related to pumping? If no, please describe why and provide a basis for the current estimated payroll costs associated with pumping and the basis for that estimate.

Answer: Please see the attached for the total payroll costs associated with Pumping and Treatment in FY 2002. No we do not believe that this is appropriate. It was much lower than the two prior years. Please see the attachment to KCWA 2-3. Based on our experience, we estimate that 5-10 % of Water Treatment Maintenance expense could be allocated to Pumping Plant Maintenance.

Providence Water
Docket 3832

	<u>FY 02</u>
60123 Pumping Plant Operations	\$4,602
60126 Maintenance	\$4,619
60130 Treatment Operations	\$1,355,555
60140 Maintenance	<u>\$510,220</u>
Total Scituate Salaries	\$1,874,996

KCWA 2-2

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Kent County Water Authority
Set 2

KCWA 2-3 Does Providence Water have a breakdown of pumping payroll costs for FY 2002 broken down by facility similar to the breakdown of costs shown in KCWA 1-7? If so, please provide the breakdown, and if available, for the prior two years.

Answer: No, we do not have payroll costs broken down to the location. KCWA 1-7 depicted power costs for which we receive a separate electric or gas bill by location. We do not have this for the Payroll. I did prepare the attached schedule from prior dockets, which shows the total Scituate salaries which include Source of Supply, Pumping and Treatment costs for the time period specified.

Providence Water
Docket 3832

	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>
60110 Source of Supply Operations	\$326,190	\$395,631	\$468,084
60120 Maintenance	\$270,039	\$257,128	\$207,328
60123 Pumping Plant Operations	\$21,082	\$11,514	\$4,602
60126 Maintenance	\$1,838	\$2,432	\$4,619
60130 Treatment Operations	\$1,279,391	\$1,385,051	\$1,355,555
60140 Maintenance	<u>\$430,445</u>	<u>\$466,925</u>	<u>\$510,220</u>
Total Scituate Salaries	\$2,328,985	\$2,518,681	\$2,550,408

KCWA 2-3

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Kent County Water Authority
Set II

KCWA 2-4 Regarding the response to DIV 1-11(c): What are the enterprise funds that were excluded and how much was expended for each in FY 2006? What was the amount of the school budget covered by Federal and State grants?

ANSWER: The enterprise funds excluded were the "Non-major Civic Center" and "PPBA". The operating expense for the PPBA was \$623,000 for FY 2006. The operating expense for the "Non-major Civic Center" fund was \$2,241,000 however \$127,000 of that expense includes depreciation. The amount of school budget covered by Federal and State grants received for FY 2006 was \$190,400,000.

Prepared by DGB

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Kent County Water Authority
Set 2

KCWA 2-5 Please explain the apparent reduction in purchased power costs for pumping (acct 61523) shown in the response to KCWA 1-7 (FY2006) and DIV 1-37 (primarily FY 2007). If possible, please provide a breakdown of purchased power costs for each pumping station (see KCWA 1-7 for the same period as that in DIV 1-37).

Answer: The apparent reduction is probably due to timing. Please see the attached breakdown of electric costs, (the largest pumping expense), for FY 04 through FY 07 year to date through May '07. We should receive the June invoice early in July, and will update the FY 07 for the full fiscal year, by pump station.

Providence Water
Pump Station costs for KCWA 2-5
61523 Purchased Power Pumping

Pump Stations:	FY 04	FY 05	FY 06	FYTD 07
Alpine Estates	\$2,867.12	\$3,016.59	\$3,736.68	\$2,752.90
Aqueduct	\$98,903.11	\$120,190.66	\$136,533.89	\$120,627.66
Bath Street	\$226,998.55	\$254,297.64	\$378,737.36	\$361,814.99
Cranston Commons	\$11,060.22	\$11,349.07	\$12,140.09	\$10,672.32
Dean Estates	\$10,547.74	\$12,156.56	\$12,314.01	\$15,892.14
Fruit Hill	\$22,257.71	\$25,232.60	\$28,477.71	\$29,234.29
Garden Hills	\$8,538.91	\$5,111.05	\$5,391.39	\$5,690.93
Greenville Avenue	\$8,577.54	\$9,398.96	\$9,678.32	\$10,440.07
Neutaconkanut	<u>\$85,956.48</u>	<u>\$127,473.78</u>	<u>\$114,658.29</u>	<u>\$118,053.75</u>
Total expense by Pump Station	\$475,707.38	\$568,226.91	\$701,667.74	\$675,179.05

All Electric bills

FYTD 07 has 11 months posted July 06 through May 07

Prepared by J. Bondrevskis

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832

Response to
Second Data Request of Kent County Water Authority

Question KCWA 2-6:

Please provide backup for the peaking factors presented in HJS Ex 7. Is Mr. Smith proposing the use of coincident or non-coincident peaking factors? Please explain.

Response:

The peaking factors for each class of customer were estimated based on those used in the previous docket and typical characteristics of such customers. The Board does not collect peaking data by class, so the coincident peaks of each class were estimated using this methodology so that the coincident peak day using the assigned maximum day peaking factors would be equal to the system peak day experienced during Test Year 2006. The calculation of this peak day factor can be found in the electronic version of the model previously provided on the worksheet labeled "Peaking Factors".

Note that while maximum day and maximum hour peaking factors for the wholesale customer class are shown in the model, they are not used to calculate the wholesale customers' allocation of costs; they are allocated costs based only on total usage, not on maximum day and maximum hour peaking factors.

Response prepared by: Harold J. Smith 6/28/07

PROVIDENCE WATER SUPPLY BOARD
Docket No. 3832
Data Requests of the Kent County Water Authority
Set 2

KCWA 2-7 Does Providence believe that services from various City Departments in the test year are representative of the typical level of service? If not please explain why and which departments.

Answer: No. The test year amount was the settled cost amount from Docket 3446 (R&O 17344 effective 12/4/02). This was the amount Providence Water expensed in FY 2001. The fact that we were still paying this amount in FY 2006 was not indicative of the cost increases that occurred over the years.

We feel that the analysis prepared by Dave Bebyn and included in our filing testimony is representative of the level of service Providence Water receives. He did a very thorough review and eliminated or added costs as appropriate.